

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

April 22, 2005

4:29 p.m.

MEMBERS PRESENT

Representative Tom Anderson, Chair
Representative Pete Kott
Representative Gabrielle LeDoux
Representative Bob Lynn
Representative Norman Rokeberg
Representative David Guttenberg

MEMBERS ABSENT

Representative Harry Crawford

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 157

"An Act clarifying the powers of electric or telephone cooperatives to become members of or own stock in other entities."

- MOVED CSSSHB 157(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 249

"An Act relating to enhanced 911 surcharges imposed by a municipality."

- HEARD AND HELD

SENATE BILL NO. 137

"An Act providing that an institution providing accommodations exempt from the provisions of the Uniform Residential Landlord and Tenant Act may evict tenants without resorting to court proceedings under AS 09.45.060 - 09.45.160."

- BILL HEARING POSTPONED to 4/25

CS FOR SENATE BILL NO. 100(RLS)

"An Act relating to enhanced 911 systems and enhanced 911 surcharges imposed by a municipality, public municipal corporation, or village."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: HB 157

SHORT TITLE: ELEC/PHONE COOP & OTHER ENTITIES

SPONSOR(S): REPRESENTATIVE(S) ANDERSON

02/18/05 (H) READ THE FIRST TIME - REFERRALS
02/18/05 (H) CRA, L&C
02/28/05 (H) SPONSOR SUBSTITUTE INTRODUCED
02/28/05 (H) READ THE FIRST TIME - REFERRALS
02/28/05 (H) CRA, L&C
03/22/05 (H) CRA AT 8:00 AM CAPITOL 124
03/22/05 (H) <Bill Hearing Canceled>
03/31/05 (H) CRA AT 8:00 AM CAPITOL 124
03/31/05 (H) Moved CSSSHB 157(CRA) Out of Committee
03/31/05 (H) MINUTE(CRA)
04/05/05 (H) CRA RPT CS(CRA) NT 3DP 1NR
04/05/05 (H) DP: SALMON, THOMAS, OLSON;
04/05/05 (H) NR: LEDOUX
04/11/05 (H) L&C AT 3:15 PM CAPITOL 17
04/11/05 (H) Heard & Held
04/11/05 (H) MINUTE(L&C)
04/14/05 (H) FIN REFERRAL ADDED AFTER L&C
04/22/05 (H) L&C AT 3:15 PM CAPITOL 17

BILL: HB 249

SHORT TITLE: ENHANCED 911 SURCHARGES & SYSTEMS

SPONSOR(S): REPRESENTATIVE(S) HAWKER

04/04/05 (H) READ THE FIRST TIME - REFERRALS
04/04/05 (H) CRA, L&C
04/12/05 (H) CRA RPT CS(CRA) 3DP 2NR 1AM
04/12/05 (H) DP: CISSNA, OLSON, THOMAS;
04/12/05 (H) NR: LEDOUX, SALMON;
04/12/05 (H) AM: NEUMAN
04/12/05 (H) CRA AT 8:00 AM CAPITOL 124
04/12/05 (H) Moved CSHB 249(CRA) Out of Committee
04/12/05 (H) MINUTE(CRA)
04/22/05 (H) L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

REPRESENTATIVE MIKE HAWKER

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Speaking as the sponsor, presented HB 249.

WALT MONEGAN, Chief
Anchorage Police Department
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 249.

TIM ROGERS
Alaska Municipal League
(No address provided)

POSITION STATEMENT: Testified in support of HB 249.

BILL DOOLITTLE, Project Manager
Enhanced 911 Program
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: During hearing of HB 249, highlighted a possible conflict between the language of the legislation and current statute.

CHUCK KOPP, Chief
Kenai Police Department
City of Kenai;
Chair

National Emergency Number Association (NENA) - Alaska Chapter
Kenai, Alaska

POSITION STATEMENT: Testified that HB 249 addresses the flexibility necessary for municipalities to address increased enhanced 911 system demands.

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

POSITION STATEMENT: Expressed appreciation for HB 249, but noted concerns with Section 3(j).

DAVID GIBBS, Emergency Manager/911 Administrator
Kenai Peninsula Borough
Soldotna, Alaska

POSITION STATEMENT: During hearing of HB 249, expressed concern with regard to the inclusion of the Division of Public Safety in enhanced 911 service agreements

LINDA FREED, City Manager
City of Kodiak
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HB 249, but expressed some concerns.

JIM ROWE, Director
Alaska Telephone Association
Anchorage, Alaska

POSITION STATEMENT: Expressed hope that HB 249, which he characterized as good legislation, could be passed.

ACTION NARRATIVE

CHAIR TOM ANDERSON called the House Labor and Commerce Standing Committee meeting to order at [4:29:50 PM](#). Representatives Anderson, Kott, LeDoux, Lynn, Rokeberg, and Guttenberg were present at the call to order.

HB 157-ELEC/PHONE COOP & OTHER ENTITIES

CHAIR ANDERSON announced that the first order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 157, "An Act clarifying the powers of electric or telephone cooperatives to become members of or own stock in other entities."

CHAIR ANDERSON reminded the committee that there have been negotiations on this legislation over the past few weeks, but it seems to no avail. In fact, there is now a House Finance Committee referral, with which he expressed frustration. Chair Anderson expressed his desire to forward HB 157 to the House Finance Committee and opined that there is merit in what the field distributors have discussed.

[4:30:37 PM](#)

CHAIR ANDERSON, upon determining there were no amendments, closed public testimony.

[4:31:02 PM](#)

REPRESENTATIVE LEDOUX moved to report CSSSHB 157, Version 24-LS0562\X, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSSHB 157(L&C) was reported from the House Labor and Commerce Standing Committee.

HB 249-ENHANCED 911 SURCHARGES & SYSTEMS

CHAIR ANDERSON announced that the final order of business would be HOUSE BILL NO. 249, "An Act relating to enhanced 911 surcharges imposed by a municipality." [Before the committee is CSHB 249(CRA).]

[4:31:49 PM](#)

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, sponsor, reminded the committee that legislation similar to HB 249 was considered in the last legislature. Due to its importance it is before the legislature again this year. Representative Hawker said that HB 249 is the "911 bill"; it would allow municipalities the ability to add a surcharge to telephone bills in order to pay for enhanced 911 systems. He encouraged the committee to remember that HB 249, is first and foremost about saving lives. When someone dials 911 they do so with the expectation that someone will be there to answer during a time of crisis. Access to a modern 911 system can be the difference between life and death, he emphasized.

[4:33:51 PM](#)

REPRESENTATIVE HAWKER specified that HB 249 would authorize a funding mechanism for enhanced 911 services, which are the additional system features and capabilities. Those additional features and capabilities allow the dispatcher to know from where the call originated and the number from which the call was made, which allows the dispatcher to call back.

[4:34:40 PM](#)

REPRESENTATIVE HAWKER requested that the committee adopt a committee substitute (CS) that is essentially equal to similar legislation [SB 100] moving through the Senate.

[4:35:03 PM](#)

REPRESENTATIVE KOTT moved to adopt CSHB 249, Version 24-LS0853\F, Cook, 4/21/05, as the working document. There being no objection, Version F was before the committee.

[4:35:19 PM](#)

REPRESENTATIVE HAWKER explained that Section 1 merely accommodates the sections of HB 249 that are added to other statutes. The legislation then provides changes in the amounts that a municipality may authorize for the charges. This

legislation is different from past legislation in that it establishes a limit on the charge the municipality can request the phone company to bill on the municipality's behalf. Version F provides a \$2 a month limit for each telephone line. If a city wants to go beyond that, it must be put before the voters. Furthermore, when a municipality imposes a 911 surcharge the customers must be notified and provided an explanation as to why. There is also language that provides restrictions with regard to what the [surcharge funds] can be used for. Section 4 provides restrictions on multi-line systems. He opined that this legislation provides reasonable protections for consumers and taxpayers while still providing an adequate 911 system. This legislation would apply to all home rule and general law municipalities.

[4:37:37 PM](#)

REPRESENTATIVE GUTTENBERG referred to Section 4 regarding the multi-line communications systems and inquired as to how it will work.

REPRESENTATIVE HAWKER deferred to Mr. Doolittle, the technical expert on the systems with the Municipality of Anchorage.

[4:39:02 PM](#)

REPRESENTATIVE ROKEBERG asked if Representative Hawker is familiar with the March 10, 2005, Federal Communications Commission (FCC) document 8098170 regarding the truth in billing format matter. He clarified that it's about mandated or nonmandated service charges.

REPRESENTATIVE HAWKER said that he is not aware of it.

[4:39:41 PM](#)

REPRESENTATIVE KOTT highlighted the following language on page 3, lines 3-4, which read: "The surcharge revenue may not be used for any capital or operational costs for emergency responses that occur after the call is dispatched to the emergency responder."

REPRESENTATIVE HAWKER addressed the general question regarding the allowable costs. He said although this language may not be the choice of the emergency responders, they believe it provides a strong restriction that would allow the core of the service to be put in place to operate the response system.

4:41:08 PM

WALT MONEGAN, Chief, Anchorage Police Department, related that he likes HB 249 because it parallels SB 100, which the Anchorage Police Department supports. He further related that he concurs with all of Representative Hawker's comments and concerns. Chief Monegan said that HB 249 will allow [the Anchorage Police Department] to operate and maintain a system that basically helps everyone. The present surcharge of \$.50 has to be subsidized from other portions of the budget in order [have the 911 system]. This legislation will enhance the ability to operate and maintain the 911 system while freeing money to be used elsewhere. Chief Monegan concluded by urging the committee to pass HB 249.

TIM ROGERS, Alaska Municipal League (AML), informed the committee that AML strongly supports HB 249. Although it isn't everything AML had hoped for, the legislation does strike a balance between the needs of local government and the concerns of the legislature and the telecommunications industry. Mr. Rogers highlighted that this legislation doesn't make local governments whole in regard to the cost of operating a 911 system, and therefore other general government revenues will be required to operate the system. However, HB 249 does offset the loss of revenues previously provided by the state in the form of the revenue sharing safe communities programs and the community matching grant program. He then pointed out that HB 249 doesn't assess a fee on those who don't receive enhanced 911 services in rural areas. He further pointed out that HB 249 will help prevent delays in the implementation of important upgrades to the enhanced 911 system that will allow the identification of the location of enhanced 911 cell phone users. Mr. Rogers explained that the new systems are very much like a more sophisticated caller identification program than what's available on telephones. Depending upon one's service provider, the cost for a caller identification (ID) program on a home telephone is \$5.00-\$6.00 a month. "What we're asking for is the ability to provide a vital lifesaving service and be able to charge an amount significantly less than what telephone users are paying for their home caller ID service," he stated.

4:45:28 PM

MR. ROGERS then turned to the FCC docket that was referred to earlier. That document specifically addresses cellular telephones. Although that document doesn't prevent state and

local governments from assessing fees and taxes on the telephone bill, it specifies that state and local governments may not dictate to a cellular telephone company what items appear on a billing statement. Therefore, that FCC document doesn't have any impact on HB 249 beyond preventing the state from requiring the telephone company to have a line item on the bill specifying the 911 surcharge.

[4:46:14 PM](#)

BILL DOOLITTLE, Project Manager, Enhanced 911 Program, Municipality of Anchorage, noted that there may be a conflict between language on page 4, line 24, which specifies that the Regulatory Commission of Alaska (RCA) identifies generally accepted industry standards. However, in the current statute, AS 29.35.131(c), the RCA is precluded from having any involvement with a 911 system. Therefore, in the last few years that language has been interpreted very strictly and the RCA hasn't been involved with 911 systems.

[4:48:14 PM](#)

CHAIR ANDERSON inquired as to how Mr. Doolittle would want to change that language.

MR. DOOLITTLE explained that the preference would be to allow the RCA to have some involvement with the technology being provided by the carriers. Current statutes, he highlighted, include the following language: "The Regulatory Commission of Alaska may not consider the enhanced 911 surcharge as revenue of the telephone company and has no jurisdiction over an enhanced 911 system." The aforementioned has been interpreted very strictly and thus the RCA has stayed out of the 911 system statewide. However, Mr. Doolittle opined that there would be a contribution from the RCA in the deployment of technology, which the language in HB 249 opens up.

[4:49:03 PM](#)

REPRESENTATIVE GUTTENBERG inquired as to whether the generally accepted industry standards, if not defined by the RCA, are defined elsewhere.

MR. DOOLITTLE answered that the alternative would be for the generally accepted industry standards to be defined at the local level. He noted that there are national standards for the provision of private switch ALI [automatic location

identification]. He related his preference for there to be language that would make that statewide.

REPRESENTATIVE HAWKER commented that the language had received much scrutiny. He related his understanding that the intent of the language was to create a requirement for a standardized system.

[4:51:15 PM](#)

CHUCK KOPP, Chief, Kenai Police Department, City of Kenai; Chair, National Emergency Number Association (NENA) - Alaska Chapter, began by thanking Representative Hawker for bringing forward HB 249, which NENA believes addresses the flexibility necessary for municipalities to address increased enhanced 911 system demands. The rapid rate of technology being introduced to the public has outpaced public safety's ability to keep up with providing emergency service communications. Therefore, HB 249 provides municipalities the flexibility and funding mechanism to address the rising expectation of the public. Moreover, the language structuring what enhanced 911 surcharge revenues may be used for is "right on the money." Chief Kopp noted that he also supports the requirement for municipalities and boroughs to establish agreements regarding enhanced 911 expenditures when they share those systems.

[4:52:51 PM](#)

ED OBERTS, Mayor's Assistant, Office of the Mayor, Kenai Peninsula Borough, related his appreciation for HB 249. However, he expressed concern with the language of subsection (j) on page 3, line 29, which specifies that the [borough] won't be able to use enhanced 911 surcharge revenue until the borough enters into agreements with the city, and probably the Alaska State Troopers as well. From practical experience, Mr. Oberts relayed the difficulty in working with various legal departments to reach agreements and approval by all the governing bodies. Ideally, statutes help clarify not create more confusion or workload. Therefore, he encouraged the committee to review that language in an attempt to provide more clarity.

[4:54:20 PM](#)

DAVID GIBBS, Emergency Manager/911 Administrator, Kenai Peninsula Borough, suggested, with regard to Section 3(j), that on page 3, line 30, the language "before the borough may use revenue from an enhanced 911 surcharge" be deleted. Although

the [borough] fully supports sharing the enhanced 911 revenues with the cities, [the borough] has been involved in a fairly lengthy process trying to negotiate cost sharing agreements with them. He also suggested that on page 4, line 3:

We would like to see the language read basically: "If the Department of Public Safety also provides services as part of the enhanced 911 service" and add the phrase "and incurs cost" deleting the rest of that sentence: "the department must be a party to the agreement".

MR. GIBBS opined that the Department of Public Safety (DPS) provides law enforcement services, not necessarily 911 services. He then expressed the need to be sure that the Kenai Peninsula Borough's 911 program continues pending agreements because "the effect of ... inclusion of this language actually may have the net effect of causing us to basically shut down our system" He informed the committee that the [borough] is incurring 911-related costs now and this language may potentially preclude the borough from using any of its surcharge revenue for providing those services.

[4:56:38 PM](#)

LINDA FREED, City Manager, City of Kodiak, began by informing the committee that the City of Kodiak is the public safety answering point (PSAP) for those portions of the region that receive enhanced 911 service. Although the Kodiak Island Borough is the entity that levies the enhanced 911 surcharge, the City of Kodiak is the direct service provider. Ms. Freed related that the City of Kodiak supports HB 249, as it is a good compromise that meets the current needs of that portion of the Kodiak region receiving enhanced 911 service. However, Ms. Freed expressed concern with regard to DPS and what the definition would be for "uses the enhanced 911 system" [as specified on page 4, line 4]. Ms. Freed explained that all of the Kodiak region's enhanced 911 calls come into the City of Kodiak dispatch center and DPS troopers are dispatched for calls outside the [city's] jurisdiction. However, DPS doesn't incur any cost directly related to the enhanced 911 system. Ms. Freed informed the committee that the City of Kodiak and the borough have a good agreement that meets the current needs of the area, and therefore she wasn't sure of the necessity of DPS signing on to that because the City of Kodiak has operational agreements with DPS that are separate from the enhanced 911 system. In conclusion, Ms. Freed announced support for HB 249 and expressed

the hope for it to pass this year as it provides a great framework for local governments to provide this important public safety service.

[4:59:07 PM](#)

JIM ROWE, Director, Alaska Telephone Association, began by informing the committee that the association represents 14 rural local exchange telephone companies in the state. Most of these areas are already assessing surcharges. Currently, the surcharge in communities with 100,000 residents is capped at \$.50 while in those areas with higher populations, it's capped at \$.75. Version F would propose an increase for the Municipality of Anchorage four-fold. Mr. Rowe emphasized: "We have an aversion to any taxing, which is what we're doing as telephone companies - it's perceived by customers that we're collecting this, that we're raising rates. Also, we're interested in the state of increasing the penetration, not having people feeling like they can't afford it. Emergency services are something we're very interested in. We also would like to see legislation pass this year." Mr. Rowe then noted agreement with the sponsor's comments regarding the compromise that has occurred with HB 249. However, he highlighted that there are locales in Alaska that don't have a PSAP to which a 911 call can be sent, which remains to be addressed.

[5:01:57 PM](#)

MR. ROWE turned to the discussion of the amount of the rate and highlighted that the cap in HB 249 can be increased upon a vote of the people in the area impacted. Mr. Rowe reminded the committee of Abraham Lincoln's comments at his first inaugural address in 1861, specifically the following: "This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government, they can exercise their constitutional right of amending it or their revolutionary right to dismember or overthrow it."

[5:04:23 PM](#)

MR. ROWE, in response to Chair Anderson, informed the committee that \$1.50 will double to triple the amount some of the members of the Alaska Telephone Association will be billed. He noted that the association would support an increase of \$1.50.

[5:05:13 PM](#)

CHAIR ANDERSON noted a conversation he had with Senator Bunde, sponsor of SB 100, in which Senator Bunde agreed to HB 249 being the vehicle for the enhanced 911 surcharge. He recalled that Senator Bunde, when asked, said that he didn't have "any druthers" regarding whether the surcharge should be \$1.50 or \$2.00. However, Senator Bunde noted that his legislation had a \$1.50 surcharge.

MR. ROWE interjected his thanks to those who have worked on this issue in the House and the Senate. He expressed his hope that this legislation, which he characterized as good legislation, could be passed.

[5:05:58 PM](#)

REPRESENTATIVE ROKEBERG asked if current statute requires the members of the Alaska Telephone Association to charge a surcharge at all. He also asked if [Version F] includes the [population] differential.

MR. ROWE answered that when a municipality has an enhanced 911 system, the [surcharge] is mandated. In further response to Representative Rokeberg, Mr. Rowe explained that federal rules require that 911 be available everywhere in the country. He clarified that 911 dialing can be done everywhere, but [in Alaska] there are some communities for which there is no location to send the call. Mr. Rowe reminded the committee that last year he attempted to have the state establish a default PSAP so that an emergency call could at least be recorded. However, that was found to be unacceptable. Mr. Rowe clarified that surcharges can only be assessed where there is enhanced 911 service. In response to Representative LeDoux, Mr. Rowe confirmed that some of the areas in her district don't have 911 service. He offered to provide the committee with a list. He recalled that last year Aniak had a group that answered emergency calls during the hours of 8:00 a.m. to 5:00 p.m. while emergency calls at any other time would be routed to Bethel.

[5:09:21 PM](#)

MR. ROWE agreed with Representative LeDoux that in some areas in her district a 911 call is routed nowhere even though there is a village public safety officer (VPSO) in the community. However, he pointed out that the VPSO are sometimes out in the community and aren't sitting by the telephone waiting for a call. Furthermore, a VPSO is a single individual, which isn't a permanent place.

5:10:02 PM

REPRESENTATIVE KOTT referred to the language on page 2 requiring the telephone company to notify its customers in writing when a surcharge is changed or imposed. The language further specifies that the notification will go through the telephone company servicing the area.

MR. ROWE opined that the aforementioned is a challenge. He appreciated the concept that the notification should be left up to the municipality when it makes a change in the surcharge. However, again it will be a challenge.

5:11:00 PM

REPRESENTATIVE HAWKER reminded the committee that HB 249 is permissive legislation that provides for a surcharge up to \$2.00 per line. Furthermore, a surcharge above \$2.00 would require a vote of the impacted community. He reiterated that the \$2.00 surcharge is a compromise, which he opined is fair. He appreciated that the telephone companies don't want to be a taxing entity for the government. Representative Hawker then referred to statements from various telephone providers in the state that recognized this legislation as a compromise. Representative Hawker then turned to the statewide need for 911 services as is the case for all of the state's statewide infrastructure needs. With regard to the legislation requiring consumer notification of a surcharge, the language requires the telephone company to distribute the notification because the municipality isn't privy to the telephone company's consumer database. However, the language further specifies that the municipality has to pay any reasonable incremental costs associated with the notification.

CHAIR ANDERSON announced that HB 249 would be held over.

REPRESENTATIVE KOTT questioned whether there have been any letters from constituents saying they have bought into the compromise [as presented in HB 249].

REPRESENTATIVE HAWKER indicated that his constituents [in Eagle River] do support this legislation.

REPRESENTATIVE GUTTENBERG turned attention to the issue of multiple lines within a household versus within large commercial enterprises.

REPRESENTATIVE HAWKER pointed out that Section 4 addresses that issue. He highlighted that it allows local control and self-determination on that issue. Representative Hawker acknowledged that deciding that each individual line would be the base for the surcharge was a policy call, but he highlighted the desire for the responder to know the location from which one calls 911.

[5:19:11 PM](#)

REPRESENTATIVE ROKEBERG turned the committee's attention to page 4, line 24, and pointed out that "E911" should actually be "enhanced 911". He then requested that a letter be obtained regarding whether there are any generally accepted industry standards as defined by the RCA. He noted a conflict of law issue with the ".131(c)" provisions.

REPRESENTATIVE KOTT asked whether any consideration was given to excluding the current statute that exempts those larger companies with 100 or more lines.

REPRESENTATIVE HAWKER said it was his personal preference to follow Representative Kott's counsel on the matter, but the compromise has left the 100-line limit in place.

CHAIR ANDERSON reminded the committee that HB 249 would be held over.

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at [5:22:23 PM](#).