

**HB**

**461**

**SFIN**

**FILE**

HB 461

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee

SENATE FINANCE  
COMMITTEE

Amendment Number: #1  
Bill Number: HB 461  
Sponsor: Green Date: 5/10/04  
Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE  
TO: CSHB 461(STA)am

BY SENATOR GREEN

Page 4, Line 3, following "surcharge":

Delete: "may be imposed"

Insert: "may not exceed \$1"

Page 4, line 18, following "system":

Delete all material through line 21.

*Offered  
but  
WITHDRAWN*

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

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23-LS1633V  
Cook  
5/11/04

**SENATE CS FOR CS FOR HOUSE BILL NO. 461( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES HOLM, Lynn**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to enhanced 911 surcharges and to 911 and emergency services  
2 dispatch systems."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* Section 1. AS 09.50.250 is amended to read:

5 **Sec. 09.50.250. Actionable claims against the state.** A person or corporation  
6 having a contract, quasi-contract, or tort claim against the state may bring an action  
7 against the state. A person who may present the claim under AS 44.77 may not bring  
8 an action under this section except as set out in AS 44.77.040(c). A person who may  
9 bring an action under AS 36.30.560 - 36.30.695 may not bring an action under this  
10 section except as set out in AS 36.30.685. However, an action may not be brought if  
11 the claim

12 (1) is an action for tort, and is based upon an act or omission of an  
13 employee of the state, exercising due care, in the execution of a statute or regulation,  
14 whether or not the statute or regulation is valid; or is an action for tort, and based upon

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the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a state agency or an employee of the state, whether or not the discretion involved is abused;

(2) is for damages caused by the imposition or establishment of a quarantine by the state;

(3) arises out of assault, battery, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights;

(4) arises out of the use of an ignition interlock device certified under AS 33.05.020(c); [OR]

(5) arises out of injury, illness, or death of a seaman that occurs or manifests itself during or in the course of, or arises out of, employment with the state; AS 23.30 provides the exclusive remedy for such a claim, and no action may be brought against the state, its vessels, or its employees under the Jones Act (46 U.S.C. 688), in admiralty, or under the general maritime law; or

(6) is based on the exercise or performance of a duty in connection with an emergency services dispatch system that is part of an enhanced 911 system or an enhanced 911 system, including providing, maintaining, or operating any toll-free, statewide default public safety answering point, and is not based on an intentional act or omission amounting to misconduct or on an act or omission amounting to gross negligence.

\* Sec. 2. AS 09.65.070(d) is amended to read:

(d) An action for damages may not be brought against a municipality or any of its agents, officers, or employees if the claim is based on

(1) [IS BASED ON] a failure of the municipality, or its agents, officers, or employees, when the municipality is neither owner nor lessee of the property involved, to

(A) [TO] inspect property for a violation of any statute, regulation, or ordinance, or a hazard to health or safety;

(B) [TO] discover a violation of any statute, regulation, or ordinance, or a hazard to health or safety if an inspection of property is made;

WORK DRAFT

WORK DRAFT

23-LS1633U

or

(C) [TO] abate a violation of any statute, regulation, or ordinance, or a hazard to health or safety discovered on property inspected;

(2) [IS BASED UPON] the exercise or performance or the failure to exercise or perform a discretionary function or duty by a municipality or its agents, officers, or employees, whether or not the discretion involved is abused;

(3) [IS BASED UPON] the grant, issuance, refusal, suspension, delay, or denial of a license, permit, appeal, approval, exception, variance, or other entitlement, or a rezoning;

(4) [IS BASED ON] the exercise or performance during the course of gratuitous extension of municipal services on an extraterritorial basis;

(5) [IS BASED UPON] the exercise or performance of a duty or function upon the request of, or by the terms of an agreement or contract with, the state to meet emergency public safety requirements; or

(6) [IS BASED ON] the exercise or performance of a duty in connection with an emergency services dispatch system that is part of an enhanced 911 system or enhanced 911 [EMERGENCY] system and is not based on an intentional act of misconduct or on an act of gross negligence.

\* Sec. 3. AS 29.35.131(a) is amended to read:

(a) A municipality may [,] by [RESOLUTION OR] ordinance [,] elect to provide an enhanced 911 system at public safety answering points, may purchase or lease the enhanced 911 equipment or service required to establish or maintain an enhanced 911 system at public safety answering points from a local exchange telephone company, competitive local exchange telephone company, or other qualified vendor, and may impose an enhanced 911 surcharge, in an amount to be determined by the municipality, on all local exchange access lines that provide telephone service to wireline telephones in the area to be served by the enhanced 911 system. A municipality that provides services under an enhanced 911 system may also by [RESOLUTION OR] ordinance impose an enhanced 911 surcharge on each wireless telephone number that is billed to an address within the enhanced 911 service area. The [FOR A MUNICIPALITY WITH A POPULATION OF 100,000 OR

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23-LS1633V

1 MORE, AN] enhanced 911 surcharge may be imposed each [MAY NOT EXCEED  
 2 50 CENTS PER] month for each wireless telephone number or, for wireline  
 3 telephones, each [50 CENTS PER] month for each local exchange billing statement  
 4 for a residential customer or for each access line for a commercial customer [FOR  
 5 WIRELINE TELEPHONES]. For a municipality with more [FEWER] than 100,000  
 6 people, an enhanced 911 surcharge may not exceed \$1.50 [75 CENTS] per month for  
 7 each wireless telephone number, or \$1.50 [75 CENTS] per month for each residential  
 8 customer billing statement or commercial customer local exchange access line for  
 9 wireline telephones. An enhanced service area may be all of a city, all of a unified  
 10 municipality, or all or part of the area within a borough and may include the  
 11 extraterritorial jurisdiction of a municipality in accordance with AS 29.35.020. The  
 12 governing body of a municipality shall, at a public hearing, review an enhanced 911  
 13 surcharge annually to determine whether the current level of the surcharge is adequate,  
 14 excessive, or insufficient to meet anticipated enhanced 911 system needs. The  
 15 municipality may [ONLY] use the enhanced 911 surcharge for the enhanced 911  
 16 system.

17 \* Sec. 4. AS 29.35.131(b) is amended to read:

18 (b) A local exchange telephone company, or competitive local exchange  
 19 telephone company, providing service in a municipality that has imposed an  
 20 enhanced 911 surcharge shall bill each month and collect the surcharge from  
 21 customers in the enhanced 911 service area. A wireless telephone company or  
 22 wireless reseller that provides telephone service to wireless telephone customers with  
 23 billing addresses within the enhanced 911 service area shall impose the [AN  
 24 ENHANCED 911] surcharge each month and collect the surcharge from customers in  
 25 the enhanced 911 service area. A residential local exchange telephone customer may  
 26 not be subject to more than one enhanced 911 surcharge on a local exchange billing  
 27 statement [ACCESS LINE] for a wireline telephone. A wireless telephone customer  
 28 may not be subject to more than one enhanced 911 surcharge for each wireless  
 29 telephone number. [A CUSTOMER THAT HAS MORE THAN 100 LOCAL  
 30 EXCHANGE ACCESS LINES FROM A LOCAL EXCHANGE TELEPHONE  
 31 COMPANY IN THE MUNICIPALITY IS LIABLE FOR THE ENHANCED 911

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23-LS1633U

## 1 SURCHARGE ONLY ON 100 LOCAL EXCHANGE ACCESS LINES.]

2 \* Sec. 5. AS 29.35.131(c) is amended to read:

3 (c) A local exchange telephone company, a competitive local exchange  
4 telephone company, a wireless reseller, or a wireless telephone company shall  
5 include the appropriate enhanced 911 surcharge, stated separately and included in the  
6 total amount owed, in the bills delivered to its customers. The Regulatory  
7 Commission of Alaska may not consider the enhanced 911 surcharge as revenue of the  
8 telephone company [AND HAS NO JURISDICTION OVER AN ENHANCED 911  
9 SYSTEM]. A customer is liable for payment of the enhanced 911 surcharge in the  
10 amounts billed by the telephone company until the amounts have been paid to the  
11 telephone company.

12 \* Sec. 6. AS 29.35.131 is amended by adding new subsections to read:

13 (i) A municipality may by ordinance elect to impose a point-of-purchase 911  
14 surcharge from prepaid wireless telephone accounts not to exceed one percent of the  
15 purchase value. The surcharge must apply to initial purchases and to subsequent  
16 purchases of air time. The retailer of the wireless account is responsible for remitting  
17 the surcharge to the municipality.

18 (j) To enable each municipality to qualify for grant funding, the governor is  
19 responsible for certifying the collection and use of all 911 surcharges.

20 \* Sec. 7. AS 29.35.133(a) is amended to read:

21 (a) The establishment, funding, use, operation, or maintenance of enhanced  
22 911 systems and all activities associated with those actions are specifically found to be  
23 within the ambit of AS 09.50.250(6) [AS 09.50.250(1)] and AS 09.65.070(d)(6).  
24 Except for intentional acts of misconduct or gross negligence, a service supplier, local  
25 exchange telephone company, competitive local exchange telephone company,  
26 wireless reseller, or wireless telephone company and their employees and agents are  
27 also immune from tort liability that might otherwise be incurred in the course of  
28 installing, training, maintaining, or providing enhanced 911 systems or transmitting or  
29 receiving calls on the system.

30 \* Sec. 8. AS 42.05 is amended by adding a new section to read:

31 **Sec. 42.05.295. Routing 911 calls.** Notwithstanding AS 42.05.711, to ensure

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statewide access by all residents to 911 wireline services, traditional or enhanced, 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 through a toll free number to a regional public safety answering point identified by the state. In this section, "municipality" has the meaning given in AS 29.35.137.

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB461CS-DPS-ASTD-5-9-04  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
Title Act relating to 911 Svcs and Emergency Svcs RDU Alaska State Troopers  
Component AST Detachment  
Sponsor Rep. Holm  
Requester (S) Finance Component No. 2325

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill, will allow municipalities to, by resolution or ordinance, elect to provide an emergency services dispatch system. It also establishes rates that municipalities can collect as a 911 surcharge which will be limited in use to the 911 system and for the actual labor and equipment used to provide emergency services dispatch, but not for costs of providing the medical, police, fire, rescue or other emergency service, or for any other purpose.

This bill also amends the current statute to improve the immunity protection to municipalities that provide emergency services dispatch capabilities.

(continued)

Prepared by: Lt. Al Storey Phone 269-4532  
Division Alaska State Troopers Date/Time 5/9/04 2:09 PM  
Approved by: Commissioner William Tandeske Date 5/9/2004  
Agency Department of Public Safety

FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL NO. HB461CS-DPS-ASTD-5-9-04

ANALYSIS CONTINUATION

Page 2 of 3

Section 8 amends AS 42.05.295 to read: Routing 911 calls. Notwithstanding AS 42.05.711, to insure statewide access by all residents to 911 wireline services, traditional or enhanced, 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 through a toll-free number to a regional public safety answering point identified by the state. In this section, "municipality" has the meaning given in AS 29.35.137.

This last provision, in essence, will require the State of Alaska to develop 911 procedures and implement processes to have Public Safety Answering Points (PSAP's) established, in areas where the 911 service is not currently present, so that all phones in Alaska will have 911 emergency services capability.

Currently the Alaska State Troopers (AST) have a number of formal and informal procedures established to insure that emergency calls for service are answered and responded to in a timely fashion. The AST work with local agencies as well as state and federal agencies to insure a proper response to calls for assistance. It is recognized that the needs of the state vary widely from region to region and that there is not a "one size fits all" solution to providing quality emergency services dispatch capabilities across the state. The needs for the western regions are different from the needs of southeast Alaska. Similarly, the needs for the North Slope Borough are different from the needs of smaller communities in south central Alaska.

In some locations, local police departments provide emergency services dispatch capabilities for the AST. This is especially true for the AST after normal duty hours. These call takers screen the calls and initiate an appropriate response. In other areas of the state, the AST may receive the calls directly, even after hours. Yet at other locales, request for emergency services may go to a larger centralized AST dispatch center such as Anchorage or Fairbanks.

This current system of receiving calls for emergency services is an ongoing effort to insure that no call goes unanswered and that responses are timely. The call takers are usually located close to the communities expected to need the services so that there is common shared knowledge about the locations between the call taker and the person placing the call.

The impact of the proposed provision, while laudable, could have immediate far-reaching fiscal implications as it applies to providing the capability that would be required. Many of the current AST dispatch centers are not equipped or manned in a way that could assume the additional duties of answering 911 calls originating from other parts of the state.

In locations where the AST works with the local agencies to provide the current call taking capability, it is believed that those agencies are also not equipped or manned in a way that would allow them to assume a much larger role as 911 call takers. It could certainly be expected that those agencies will ask for compensation for providing that service or increased compensation if they are already providing some call taker service.

This provision was brought forth at a late date in the legislative process. Because of the limited time that has been allowed to discuss the issue of how the PSAP's would be established, the equipment and personnel that would be required to properly operate these PSAP's, and the potential costs that will arise to connect the system to PSAP's, the AST have no viable way in which to determine the fiscal impact to the department. It is expected that the costs could be substantial as the department works to enhance currently existing processes, or moves to establish systems that do not currently exist. It could logically be expected that this would take a considerable amount of staff hours to plan, negotiate with other involved agencies, procure equipment if needed, hire additional dispatchers/call takers, and implement the effort on a statewide basis.

(continued)

FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL NO. HB461CS-DPS-ASTD-5-9-04

ANALYSIS CONTINUATION

Page 3 of 3

Also, while the legislature establishes procedures and rates that municipalities can follow to collect funds to help finance emergency services dispatch systems, there is no similar provision for the AST to receive funds to assist in providing the same service.

There is no question that a consistent process for accessing emergency services is desirable. A formal comprehensive plan addressing all aspect of the system, including specific goals and objectives is needed. The plan must include the areas of responsibility for all the involved agencies and the procedures to be followed. The plan must also include the expected costs for personnel and equipment. It should also reflect anticipated funding sources. Once the plan is completed, it can be implemented in a coordinated fashion with the end result being a properly managed emergency services dispatch capability that serves the needs of all communities.

Without such a plan, there is no viable means of determining the fiscal impact to the Alaska State Troopers.

The fiscal impact to the Department of Public Safety is indeterminate at this time.

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB 461 (STA)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title "Relating to enhanced 911 surcharges and to 911 and emergency services dispatch systems" RDU Enterprise Tech. Services  
Sponsor Representatives Holm, Lynn Component Enterprise Tech. Services  
Requester "S Finance" Component No. 2082

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1081 Info. Svcs.	*	*	*	*	*	*
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
ETS (Enterprise Technology Services) has conducted a preliminary analysis of the potential impact of this legislation. We have confirmed that SOA agencies currently pay 911 surcharges in Juneau, Anchorage, Mat-Su, Ketchikan and Fairbanks for 3rd party lines. The State of Alaska (ETS) currently supports 14,000 PBX lines and approximately 6,000 3rd party instruments. There are approximately 3,500 cell phones in use by SOA agencies at this time. If Municipalities can place any figure in for the surcharges, we cannot determine total costs or the effects on SOA agencies at this time.  
TOTAL ESTIMATED RATE INCREASE (cap at \$1 p/line): \$1,888 / month or \$22,656 / year  
Total estimated rate increase cell phone (cap at \$1 p/phone) \$3,500 / month or \$42,000 / year

Prepared by: Stan Herrera, Director Phone 465-5735  
Division: Enterprise Technology Services Date/Time 5/10/04 3:46 PM  
Approved by: Ray Maliashowcki, Commissioner Date 5/10/2004  
Agency: Department of Administration

# STATE OF ALASKA



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*Session:*

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Juneau, Alaska 99801  
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## REPRESENTATIVE JIM HOLM DISTRICT 9

HB 461

### "EMERGENCY SERVICES DISPATCH/911 SURCHARGE"

## Sponsor Statement

21 April 2004

Enhanced 9-1-1 technology is sweeping the nation. This enhanced emergency service provides a faster, more efficient means of rescue to the citizens of Alaska. Enhanced 9-1-1 immediately provides the dispatcher with the identity and physical location of a caller. Bottom line: Enhanced 9-1-1 can save lives.

Municipalities have no way to fully cover the costs of this essential dispatch service. Currently AS 29.35 gives a municipality the ability to cover the cost of the Enhanced 9-1-1 equipment through a surcharge of only sixty-five cents. This does not cover the cost of the dispatch or the labor. The burden of the cost for this service is borne by local property taxes and state revenues.

This bill will shift some of the costs to the users of this service and provide substantial relief to stretched municipal budgets. Municipalities will have the option to charge phone users through a surcharge on their phone bill. Local governments are more capable of responding to the specific needs of their community. These adjustments will be a great stride toward the goal of local control for city and borough governments.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

May 1, 2004

**SUBJECT:** Sectional summary (CSHB 461(STA))

**TO:** Representative Jim Holm  
Attn: Matthew Rudig

**FROM:** Tamara Brandt Cook *TBC*  
Director

**Sec. 1.** Adds to list of judicial actions that may not be brought against the state an action based on the exercise of a duty in connection with an enhanced all system or emergency services dispatch system that is not based on misconduct or gross negligence.

**Sec. 2.** Adds to list of judicial actions that may not be brought against a municipality an action based on the exercise of a duty in connection with an emergency services dispatch system.

**Sec. 3.** Adds reference to emergency services dispatch systems to list of home rule limitations.

**Sec. 4.** Permits a municipality to provide an emergency services dispatch system. Existing law permits enhanced 911 systems. Deletes the distinction in surcharges that is in existing law based on municipal population and deletes provisions setting the amounts of surcharges. Permits the surcharge to be used for labor and equipment used to provided emergency services dispatch, but not for cost of providing the emergency service.

**Sec. 5.** Provides that a residential customer may not be subject to more than one enhanced 911 surcharge on each billing statement for a wireline telephone.

**Sec. 6** Deletes provision that the Regulatory Commission of Alaska has no jurisdiction over an enhanced 911 system.

**Sec. 7.** Permits a municipality to impose a point-of-purchase 911 surcharge from prepaid wireless telephone accounts, limited to one percent of the purchase value. Makes the governor responsible for certifying the collection and use of 911 surcharges.

**Sec. 8.** Adds emergency services dispatch to the existing immunity provision applicable to enhanced 911 systems.

**Sec. 9.** Adds a definition of "emergency services dispatch."

TBC:med  
04-488.med

# Fairbanks Daily News-Miner

## What 911 is worth

**Sunday, February 22, 2004** - Two members of the Interior delegation have introduced bills that would increase the amount municipalities are allowed to collect as phone surcharges, and broaden the use of that money, for 911 emergency service.

The bills, introduced by Fairbanks Republicans Rep. Jim Holm and Sen. Ralph Seekins, deserve a close look and should be passed in some form.

The idea is another good one that comes from Fairbanks Mayor Steve Thompson, who has been looking at our cash-strapped city to see where money can be saved. He has not only found a way to save money for local dispatch services, but found a better way to pay for them.

At present, there are six dispatch centers: Fairbanks City, Fairbanks International Airport, North Pole, State Troopers, University and Fort Wainwright. They operate at a combined cost of roughly \$4.5 million, according to Thompson.

Five of those centers could be combined into one central dispatch center, likely housed in the new Fairbanks police station, which has six state-of-the-art dispatch consoles. Because of specific federal security guidelines, the airport dispatch center would have to remain separate. The cost of running the single center--which would include enhanced 911 service for cell phones and higher level training for dispatchers--would fall closer to \$1.5 million.

So the result is a consolidated dispatch center, dispatchers with better training, enhanced 911 on both land lines and cell phones, and it costs less.

Sounds like a pretty good idea.

The Fairbanks North Star Borough currently levies a 65 cents a month surcharge for "enhanced 911" services, but the money is not available to cover general 911 dispatching service. Dispatching services are paid for out of general funds.

That's where the new bills come in. Thompson found that most dispatch centers across the country are funded by phone surcharges, not property taxes.

The new plan spreads the burden of paying for the 911 service beyond property owners to everyone who owns a phone or cell phone.

While the state law would allow municipalities to collect up to \$3 per month per phone, with roughly 80,000 phones in the Fairbanks North Star Borough, the local charge likely would be closer to \$1.50 to \$1.80 to cover a dispatch center that runs at a cost of about \$1.5 million. The 65 cents per month for enhanced 911 would remain in place.

So will it cost? Oh yes. It will especially cost those who have a land line and two or three cell phones among family members.

But will it save?

No doubt, overall it saves money.

More importantly, it may save lives.

E-911 Dispatch Center  
Revenue and Costs Summary

	Call Center/Dispatch Operating Costs	Current E-911 Surcharge Revenue	Current Revenue Shortfall	Estimated Total Phone Lines/Cell Phones
Anchorage (1)	\$ 7,652,280	\$ 2,066,944	\$ 5,585,336	344,491
Fairbanks (2)	\$ 4,680,000	\$ 436,293	\$ 4,243,707	84,150
Kenai (3)	\$ 2,266,680	\$ 447,352	\$ 1,819,328	48,333
Juneau (4)	\$ 1,400,000	\$ 305,456	\$ 1,094,544	34,739

**Note: Operating costs only. Does not include capital expenditures or anticipated Wireless E-911 cost recovery.**

Sources

- (1) 2004 General Government Operating Budget/MOA Office of Management & Budget
- (2) City of Fairbanks Office of the City Manager
- (3) Kenai Peninsula Borough Office of Emergency Management
- (4) City and Borough of Juneau FY 2004 Operating Budget

Provided by Rep. Holm

<b>Proposed Telephone Surcharge Amendment</b>			
January 29, 2004			
		<b>Current</b>	<b>Proposed</b>
		<b>Fairbanks E-911</b>	<b>Current E-911</b>
		<b>Surcharge</b>	<b>Surcharge plus</b>
			<b>Dispatch Surcharge</b>
<b>Surcharge Income</b>			
E-911 monthly surcharge per line		\$ 0.65	\$ 0.75
Proposed new Dispatch surcharge			\$ 1.45
Total		0.65	\$ 2.20
ACS Lines	47,000		
GCI Lines	9,500		
ST&T Lines			
Other Lines			
Cell Phones	28,500		
Total Lines	85,000		
Monthly Income		\$ 55,250.00	\$ 187,000.00
less rebate to providers		\$ 552.50	\$ 1,870.00
Net per month		\$ 54,697.50	\$ 185,130.00
Net per year		\$ 656,370.00	\$ 2,221,560.00
<b>Total Income</b>		<b>\$ 656,370.00</b>	<b>\$ 2,221,560.00</b>
<b>Expenses</b>			
<i>E-911 System Expenses</i>			
Annual E-911 tech & system costs		\$ (350,000)	\$ (350,000)
Annual set aside for equipment replacement		\$ (250,000)	\$ (250,000)
<i>Dispatch Centers Expense</i>			
Fairbanks Center		\$ (1,200,000)	\$ (1,200,000)
AST (est)		\$ (1,100,000)	\$ (1,100,000)
UAF		\$ (600,000)	\$ (600,000)
North Pole**		\$ (175,000)	\$ (175,000)
Fairbanks Int'l Airport		\$ (175,000)	\$ (175,000)
Local Annual set-aside for equipment#		\$ (830,000)	\$ (830,000)
<b>Total Expense***</b>		<b>\$ (4,680,000)</b>	<b>\$ (4,680,000)</b>
<b>Net Local Share of Costs**</b>		<b>\$ (4,023,630)</b>	<b>\$ (2,458,440)</b>
*North Pole and Fairbanks considering contractual arrangement			
**Local share includes state funds used at Fairbanks AST and Fairbanks Int'l Airport			
***Interior Agencies are looking at possible Regional Dispatch Center to reduce expenses.			
#Grants have in the past covered this cost; no guarantee of future funding.			

## **Emergency Dispatch Telephone Surcharge**

### **Background**

Over the past decade, a remarkable breakthrough in emergency dispatch service has occurred. First, the nationwide use of dialing "911" to reach emergency service. Then, the advent of "Enhanced 911" provides a much higher level of service: Enhanced 911 provides the dispatcher with identity and physical location of an emergency caller immediately, even when the caller is unable to speak. Enhanced 911 has saved lives. Soon E-911 technology will be offered for Fairbanks cell phones users as well.

In Alaska, Enhanced 911 technology and hardware is financed by a telephone surcharge authorized by AS 29.35.131. The current maximum surcharge is \$0.75 for small communities. In Interior Alaska, the current \$0.65 surcharge and E-911 system is administered by the Fairbanks North Star Borough. Five local agencies use the system.

### **The Proposal**

While the current surcharge pays the cost of the E-911 equipment and technology, it does not provide funding for cost of emergency dispatch labor and expenses. An amendment to expand surcharge would help local governments pay the cost of dispatch service, especially in light of the complete loss of state municipal assistance.

It is common across the nation to use the phone surcharge for all of the costs of emergency dispatch, not just the E-911 technology.

An amendment to AS 29.35.131 authorizing a second level of surcharge (up to \$1.45 per month for small communities) would assist all dispatch centers. The combined maximum per month surcharge for small communities would be \$2.20.

In Interior Alaska, the total cost for all emergency dispatch service is more than \$4 million dollars a year. The increased surcharge would fund roughly \$2.4 of the \$4 million. The balance of the cost is funded by local taxes and state revenues. Shifting some of the cost to phone users would provide significant relief to local communities.



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

April 7, 2004

Representative Jim Holm  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

Re: HB 461

Dear Representative Holm,

Thank you for sponsoring HB 461, which would expand the surcharge local government may levy on telephone users for E-911 and emergency dispatch services. The increased user fee, if enacted by a municipality, will improve that local government's ability to promptly respond to life and health threatening emergencies.

Although emergency communications technology has improved considerably in recent years, the added costs combined with reduced state shared revenues has made it difficult for emergency service providers to keep up with the advancements. HB 461 would provide another tool available to help improve these services.

We understand there are concerns which have been voiced by some of the telecommunications carriers regarding E-911 surcharges. We believe most of their issues can be resolved through consumer education and appropriate cost reimbursement to the carriers. We also believe any basic objection to a surcharge for 911 services is outweighed by the service provided through the surcharge funds.

Not all areas of Alaska are covered by 911 service. According to a Denali Commission survey, 164 communities within Alaska have no 911 service. The AML also supports the use of a portion of the surcharge to help municipalities and telephone service providers develop a statewide coordinated plan with the goal of eventually expanding the availability of 911 service to all parts of Alaska.

Thanks again for introducing this bill and we offer our support in helping to secure its passage.

Sincerely,

Kevin Ritchie  
Executive Director

Introduced by:

Mayor Thompson  
Council Member Johnson  
Date: February 23, 2004

**RESOLUTION NO. 4112**

**A RESOLUTION IN SUPPORT OF HOUSE BILL 461 AND  
SENATE BILL 335, WHICH WOULD ALLOW MUNICIPALITIES  
TO LEVY A MONTHLY SURCHARGE ON TELEPHONE  
SERVICES TO PAY FOR GENERAL EMERGENCY SERVICES  
DISPATCHING AND FOR ENHANCED 911 SERVICE**

**WHEREAS**, public safety is one of the mandates in the state; and

**WHEREAS**, an enhanced 911 automatically provides dispatchers with the  
identity and location of callers; and

**WHEREAS**, local dispatch centers are now paid mostly through local  
taxes; and

**WHEREAS**, it is common around the Country for 911 dispatch centers to  
be funded by telephone surcharges.

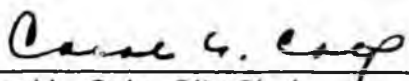
**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of  
Fairbanks that the City Council supports passage of House Bill 461 and Senate  
Bill 335.


**Passed, Approved and Effective this 23rd day of February, 2004**

  
Steve M. Thompson, City Mayor

ATTEST:

APPROVED AS TO FORM

  
Carol L. Colp, City Clerk

  
Herbert P. Kuss, City Attorney

**ALASKA FIRE CHIEFS ASSOCIATION  
04-01**

**RESOLUTION IN SUPPORT OF AMENDMENT OF THE ALASKA STATUTES TO  
AUTHORIZE MUNICIPALITIES TO INCREASE THE PHONE SURCHARGE TO PAY  
THE COSTS OF EMERGENCY SERVICES DISPATCH**

**WHEREAS**, dispatch centers are an essential part of providing emergency police, fire, and emergency medical services; and

**WHEREAS**, Alaska Statutes section 29.35.131 authorizes smaller Alaskan municipalities to enact a surcharge of up to \$0.75 per month upon telephone lines to pay for the expense of enhanced 911 services; and

**WHEREAS**, as currently written, AS 29.35.131 does not authorize a surcharge for the operating costs of emergency dispatch centers; and


**WHEREAS**, authorization for municipalities to increase the phone surcharge to pay the cost of dispatch centers in an appropriate amount will provide desperately needed revenue to operate dispatch centers.

**NOW, THEREFORE, BE IT RESOLVED THAT THE ALASKA FIRE CHIEFS ASSOCIATION SUPPORTS AMENDMENT OF STATE LAW TO AUTHORIZE A COMMUNITY OPTION FOR LOCAL INCREASE OF THE TELEPHONE SURCHARGE TO PAY THE COST OF OPERATION OF DISPATCH CENTERS UP TO THE AMOUNT ALLOWED BY STATE LAW.**

**BE IT FURTHER RESOLVED, THAT THE ALASKA FIRE CHIEFS SUPPORTS HOUSE BILL 461 AS PROPOSED BY REPRESENTATIVE JIM HOLM, WHICH WOULD AUTHORIZE AN INCREASED SURCHARGE.**

**ADOPTED, THIS 10TH DAY OF FEBRUARY, 2004**

  
\_\_\_\_\_  
**Dave Tyler, President  
Alaska Fire Chiefs Association**

  
\_\_\_\_\_  
**Warren B. Cummings,  
Attest, First Vice President**

**CITY OF NORTH POLE  
RESOLUTION 04-12**

**A RESOLUTION IN SUPPORT OF HB 461 AND SB 335 TO ALLOW  
MUNICIPALITIES TO LEVY A SURCHARGE ON TELEPHONE SERVICES  
TO PAY FOR GENERAL EMERGENCY DISPATCHING SERVICES**

**WHEREAS**, providing for and maintaining public safety is one of the mandates of government; and

**WHEREAS**, the cost of operating and maintaining emergency dispatch services in Alaska falls disproportionately on property tax payers and not on users; and

**WHEREAS**, it is common around the country for 911 dispatch centers to be funded by telephone surcharges; and

**WHEREAS**, HB 461 and SB 335 would amend state law allowing municipalities to levy a monthly surcharge to pay for general emergency dispatching services in addition to the current levy for enhanced 911 services.

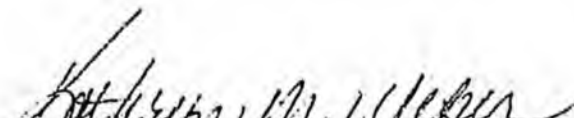
**NOW, THEREFORE, BE IT RESOLVED** that the North Pole City Council supports passage of House Bill 461 and Senate Bill 335.

**PASSED AND APPROVED THIS 1<sup>ST</sup> DAY OF MARCH 2004.**



Jeffrey James Jacobson, Mayor

**ATTEST:**

  
Kathryn Weber, CMC, City Clerk

~~Alaska Telephone Association~~

**Greg Berberich**  
President

201 E. 56th, Suite 114  
Anchorage, AK 99518  
(907) 563-4000  
FAX (907) 562-3776  
www.alaskatel.org

**James Rowe**  
Executive Director  
jrowe@arctic.net

May 10, 2004

Senate Finance Committee  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Sen. Lyda Green, Co-Chair  
Sen. Gary Wilken, Co-Chair  
Sen. Con Bunde, Vice-Chair  
Sen. Fred Dyson  
Sen. Ben Stevens  
Sen. Lyman Hoffman  
Sen. Donny Olson

RE: E911 Proposed Legislation, HB461

Dear Committee Members:

The Alaska Telephone Association represents fourteen rural, essentially wireline, local exchange telephone companies, each of which is absolutely dedicated to providing high quality service to all of its customers. We support emergency services, but are very concerned with HB461.

Of foremost concern to local telephone companies is the customer perception that local telephone rates will increase by very significant amounts due to the lifting of the cap on E911 surcharges. Currently the cap is a very affordable 75 cents per month (50 cents in Anchorage). Additionally, HB461 places at potential risk the customer least able to afford a higher monthly phone bill such as the aged and infirm on a fixed income; certainly among the population most likely to have need of access to E911 services.

Essentially, this legislation permits a municipal government an unlimited power of taxation. That power is already inherent in municipal government, tempered, however, by the electorate. We don't understand what has changed that the Legislature, which endorsed a responsible cap only a few years ago, would be willing to remove this very prudent surcharge ceiling on local telephone service. Municipal government should be

Alaska Telephone Association

encouraged to seek the approval of their own citizens for levels of taxation and should spend those monies as their own constituents direct.

The members of the Alaska Telephone Association look forward to working with the legislature and emergency services personnel to determine the needs of all Alaskans and facilitate the solutions. HB461 does not do that.

Respectfully,

A handwritten signature in cursive script, appearing to read "Jim Rowe", with a long horizontal flourish extending to the right.

Jim Rowe

**POSITION SUMMARY ON HB 461**  
**ALASKA TELEPHONE ASSOCIATION**

May 10, 2004

- The Alaska Telephone Association (ATA) and its 14 members statewide remain opposed to the version of HB 461 that is before the Senate Finance Committee. A list of ATA members is attached.
- The reason for ATA's opposition is that the current version of HB 461, unlike the version passed by House C&RA (Rep. Morgan's committee), deletes ANY cap on the monthly E911 tax that local municipalities can impose. Under existing law, that cap is 75 cents for a municipality with fewer than 100,000 people and 50 cents for municipalities with a population of more than 100,000.
- Testimony in the House indicated that monthly surcharges of \$5-\$6 or more may be assessed in some localities.
- The problem is that this is a complicated issue with numerous implications, and it just hasn't been studied enough.
- The House C&RA version of HB 461 would have increased the surcharge cap to \$1 for all communities (which would double the existing 50-cent cap for municipalities with over 100,000 population).
- **ATA and its members support the House C&RA version with the \$1 cap.**
- Contrary to an impression left on the House floor, ATA and its members were not consulted on the version of HB 461 that is before the Senate Finance Committee. Thus, this version does not represent an agreement.
- ATA and its members oppose having an unlimited surcharge cap because the local phone companies already are the tax collectors, and they have to devote their administrative resources to explain to upset customers that increases in their phone bills are not because telephone rates went up but are due to a governmental E911 surcharge. It takes time and money to answer complaints, which surely grow more numerous as E911 surcharges increase more and more.

- If local governments want the ability to raise the E911 tax on an unlimited basis, perhaps those governments should collect this tax directly, and acquire whatever information they need from the telephone companies serving those areas.
- There have been at least three 911 bills this year, with caps ranging from about \$2 to about \$3. Now, as mentioned, there is no cap at all in the version of HB 461 before the Senate Finance Committee.
- The bottom line is that HB 461 is an example of getting the cart before the horse. Logically, the state and local governments – and the telephone companies -- need to collaborate on a reasoned basis with professional expertise, to determine just what and how much money are needed for 911 and enhanced 911 service; then come back to legislature with a justifiable plan.

**The Alaska Telephone Association is comprised of the following rural Alaska local exchange telephone companies.**

Alaska Power & Telephone Company (Alaska Telephone Company, Bettles Telephone Company, and North Country Telephone Company)

Arctic Slope Telephone Association Cooperative

Bristol Bay Telephone Cooperative, Inc.

Bush-Tell, Inc.

Copper Valley Telephone Cooperative, Inc.

Cordova Telephone Cooperative

Ketchikan Public Utilities, KPU Telecommunications

Matanuska Telephone Association

Nushagak Electric & Telephone Cooperative, Inc.

OTZ Telephone Cooperative

Summit Telephone Company, Inc.

TelAlaska, Inc. (Interior Telephone Company and Mukluk Telephone Company)

United Utilities, Inc. (also United-KUC, Inc.)

Yukon Telephone Company, Inc.



5/5/2004

Hon. Sen. Lyda Green, Co-Chair  
Hon. Gary Wilken, Co-Chair  
Hon. Con Bunde  
Hon. Sen. Fred Dyson  
Hon. Sen. Ben Stevens  
Hon. Sen. Lyman Hoffman  
Hon. Sen. Donny Olson

Dear Senators;

I am writing in opposition to SB335. I represent the rural consumers of the Bristol Bay Telephone Cooperative who will be ill served by the proposed legislation. As written, the legislation would not advance the intended purpose of providing enhanced 911 to any of the 5 exchanges we serve. While the intent of the bill seems reasonable, the bill would negatively impact the members of our cooperative. Our cooperative hoped for provisions that would provide some means to provide 911 traffic routed in the rural unorganized portions of the state to the appropriate responders. This was not incorporated into this bill.

Also, many of our cell customers reside within urban organized areas. We do not provide roaming as our cell service is designed to serve the fishing industry and the cell phone do not work in the urban areas. Under proposed legislation, we would be required to levy a charge on these customers with billing address in an urban area. This would place an increased burden on our small struggling telephone cooperative and unfairly assess customers who can't even call 911.

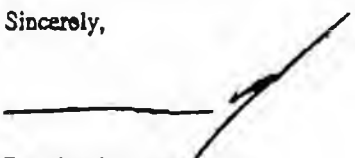
Currently, five of our exchanges serving five villages have no Public Safety Answering Point (PSAP). It is unclear in the law as to exactly what happens when there is no PSAP within an exchange or community. The bill needs to outline how we are to forward calls. The BBTC is more than willing and able to route 911 to any number. It would be unworkable for many subscribers who have toll restricted phones to complete a long distance call routed to the trooper designated PSAP outside the local exchange. As an example, there will never be a local PSAP in Igiugig within the foreseeable future. We do not know which trooper's office provides coverage of that area. We think the statute should indicate that Public Safety would take responsibility to provide the designated number to for us to forward 911 calls toward.

We therefore think that as written this bill is troublesome and cannot be accomplished without additional responsibility outlined in the law as to what PSAP the telephone company should use for routing calls in each community.

While we support a comprehensive bill that would gather support from both regular and wireless customers, this bill is not a step in the right direction without further language and or clarification. We would gladly work with you on legislation that is workable and would meet the intended purpose of improved public safety. This bill does not serve that purpose.

We therefore urge you to not advance this bill out of committee as written.

Sincerely,

  
Dennis Niedermeyer  
Acting General Manager  
Bristol Bay Telephone Cooperative



Representative Jim Holm  
Alaska State Legislature  
State Capitol, Room 416  
Juneau, AK 99801-1182  
907-465-3466

Executive Offices

May 10, 2004

Re: CS for HB 461 – “An act related to enhanced 911 surcharges and to 911 and emergency services dispatch systems.”

Dear Representative Holm:

Alaska Communications Systems (“ACS”) does not have a problem with the intent of HB 461, which allows municipalities to determine the appropriate level of surcharge that needs to be placed on either wireline or wireless bills. The surcharge covers the substantial cost of the enhanced 911 system and the actual labor and equipment used to provide emergency services dispatch. ACS feels that municipalities are best equipped to determine the appropriate level of surcharge for this critical health and safety issue and recognizes that there may exist a difference in cost among cities due to available technology already in place, etc.

If you have any questions, please do not hesitate to contact me.

A handwritten signature in black ink that reads "Mary Ann Pease". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Mary Ann Pease

VP, Corporate Communications  
Alaska Communications Systems