

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 06, 2001 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research Department
Bob Nugent, Revisor of Statutes
Lea Gerard, Secretary

Conferees appearing before the committee: Jason White, Metropolitan, Ambulance Service, K.C.
Keith Faddis, City of Overland Park, Task Force
Member

Others attending: See attached sheet.

In accordance with KSA 75-3715a, a corrected fiscal note concerning **SB 146** was submitted to Committee members (Attachment 1).

Senator Brungardt moved, seconded by Senator Emler, that SB 146 be recommended favorable for passage. The voice vote was unanimous in favor of the motion. Senator Emler will carry the bill.

Senator Kerr moved, seconded by Senator Jenkins, that the Minutes of February 16 and 19, 2001 be approved. The vote was unanimous in favor of the motion.

Tom Gleason on behalf of the Rural Local Exchange Carriers of Kansas presented testimony in support of full inclusion of wireless service in the emergency telephone systems established and maintained by local units of government for the health and safety of citizens. Mr Gleason stated whether the committee favors the approach of **HB 2034** as adopted or the alternative afforded by **SB 298** or some blending of the two, the passage this year of fair and effective legislation is vital (Attachment 2).

Tom Gleason submitted the following amendments to **SB 298**:

Page 2, Line 20 the .50 cent cap be increased to the .75 cent cap as applies to wireline assessments for 911 service. There are also some concerns regarding equity of cost recovery with respect that not all wireline companies recover their costs from the 75 cent assessment. They are all protected by tariffs and recovered in that fashion; however, some of that recovery is through the local service tariff not through the tariff for services provided to the PSAP.

Page 2, Line 25 adds some additional language to the existing law on the wireline side and what would be imposed on the wireless carriers. This additional language would be applied to the wireline carriers to bring about that collectors earn the money they are allowed. The 2% retention for expenses in collecting and remitting the assessment would be conditioned upon the companies both wireless and wireline for using the same efforts to collect the tax that they use to collect the amounts due to them for service.

With regard to cost recovery, we have proposed additional language to be added on Page 4, Subsection 3, Line 37 "Necessary and reasonable" .

Page 5, Line 5 additional language would give the administrator express authority to approve or reject in whole or in part any application for disbursements based on the necessity and reasonableness of the expenditure for any specified purpose.

Senator Emler requested that Tom Gleason provide information if the rural telephone companies of Kansas currently have in place a requirement to charge a .75 cent surcharge per customer.

In response to a question from the Chair, Janet Buchanan, KCC stated yes it was fair to say the cost to deliver 911 is recovered in the fee that's showing on a consumer's bill and is not included in other embedded costs.

Jason White, Kansas Emergency medical Services Association (KEMSA) testified in support of **SB 2034** stated the E-911 Task Force recommended that wireless providers can either bill their customers and can negotiate recovery of their costs with the individual PSAPs. For wireline LEC's those rates for services are set by tariffs or by individual contracts. For wireless carriers those rates can be determined by negotiations with each PSAP ([Attachment 3](#)).

Tom Sullivan, Barton County presented written testimony in support of **SB 2304** ([Attachment 4](#)).

Keith Faddis, Deputy Chief, Overland Park Police, testified in support of **SB 2304** ([Attachment 5](#)). Mr. Faddis stated as far as cost recovery for the wireless carriers in **SB 298**, it limits it to .50 cents and Sprint has stated their costs would be .20 cents of the .50 cents. In Johnson County there are six wireless carriers, assuming that Sprint is the most efficient and economical of the wireless carriers, the other five carriers could be charging another .20 cents. The biggest portion that the PSAP's will have to deal with is the mapping portion, actually putting this caller on the map. If the wireless carriers each get .20 cents out of the .50 cents, where do we get the money for the mapping.

The Chair requested Amy Yarkoni, Cingular to clarify the .20 cents per subscriber. Amy stated when the wireless carriers give you a per minute first subscriber charge like .20 cents, it's based on their subscriber population. So if Cingular as a carrier had 100,000 customers and .20 cents was required per subscriber you would collect .50 cents per subscriber and take only .20 cents per subscriber for the number of subscribers the carrier has. Therefore, there might be a million for which you collected 50 cents and each carrier will ask for .20 cents for their portion of subscribers. We are taking .20 cents from each 50 cents received not 20 cents apiece from the one .50 cents for every subscriber.

Mike Murray , Sprint, distributed to the committee an explanation of wireless E911, concierge services that addressed the question of whether wireless carriers should be permitted cost recovery if they are able to profit from the development of enhance 911 technology ([Attachment 6](#)).

April Homan, Legislative Research Department gave a brief overview of the side-by-side **HB 2034** and **SB 298** ([Attachment 7](#)). The biggest difference between the two bills is that **SB 298** is a centralized approach. The bill would create a new system that would be statewide with an administrator of the wireless E-911 fund. Each 10-digit phone number will have a surcharge capped at .50 cents. **HB 2034** is a decentralized approach in that it would piggyback on the existing 911 statutes and include wireless. There would be a .75 cent maximum surcharge.

Meeting adjourned at 9:30 a.m.

Next meeting scheduled for March 07, 2001 at 8:00 a.m.