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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
CONSUMER PROTECTION & COMMERCE
ON
February 11, 2008

H.B. 3367, H.D. 1

RELATING TO WIRELESS ENHANCED 911

Chair Herkes, and members of the Committee, thank you for the opportunity to testify on H.B. 3367, H.D. 1.

The Department of Accounting and General Services (DAGS) opposes H.B. 3367, H.D. 1.

DAGS opposes this bill because it would prevent the Wireless E911 Board from applying the fund to provide the lifesaving wireless enhanced 911 service as effectively as practical to the wireless users for which it was created. DAGS has inserted its comments on the bill's purpose as follows:

The purpose of this Act is to:

- (1) Reduce the wireless enhanced 911 surcharge to 43 cents; DAGS comments:
DAGS agrees. This is the rate recommended in H.B. 3035, an administration bill.
- (2) Provide that funds expended from the wireless enhanced 911 fund for reimbursement of capital costs shall supplement, but not supplant, funds regularly

appropriated by the counties; DAGS Comments: The counties do not appropriate funds for the counties. As a result, there is nothing to supplant.

- (3) Require the wireless enhanced 911 board to annually present a plan to the legislature prior to each regular legislative session that:
- (A) Specifies a surcharge no greater than is necessary to meet its expenses and planned expenditures; and
 - (B) Proposes to refund surplus surcharge funds; DAGS Comments: The funds should be used to support ongoing improvements, operations and maintenance of wireless enhanced 911 service.

and

- (4) Require the Auditor to conduct a financial and management audit of the wireless enhanced 911 fund. DAGS Comments: The Board already employs the provisions of 138-7, HRS pertaining to audits. Specifically, 138-7(b) states the following:

b) The board shall select an independent third party to audit the fund every two years to determine whether the fund is being managed in accordance with this chapter. The board may use the audit to determine whether the amount of the surcharge assessed on each commercial mobile radio service connection is required to be adjusted. The costs of the audit shall be an administrative cost of the board recoverable from the fund.

On page 4, lines 16-19, the bill proposes that ongoing service provided by the local exchange carrier be paid through the counties' general funds. This will jeopardize wireless enhanced 911 service as the counties do not appropriate funds for this purpose. In addition, service provided by the local exchange carrier is vital to enhanced wireless 911 service in Hawaii. The local exchange carrier provides the Public Safety Answering

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Points (PSAP) with switching and trunking services. This is necessary because location information on calls to 911 is sent on a separate path from the wireless calls. Each wireless service provider sends the location information to a central switching point in the exchange carrier's network. At the central switching point, location information on 911 calls from all wireless service providers are disaggregated and routed to the PSAPs that are responding to the calls. The reason this data is vital is that it contains the wireless 911 callers name and location longitude and latitude, enabling the PSAP answerer to locate the caller on the map and set in motion a proper response. These switching and trunking costs are a major component of the cost to provide wireless enhanced 911 service. Without these services, wireless enhanced 911 service cannot work

The Board unanimously approved its initiative to expand wireless enhanced 911 coverage into remote areas and to improve in building coverage in selected public buildings. Using the surplus funds for this purpose will greatly improve the life saving potential of the service. Also, because the wireless enhanced 911 technology is technology and computer based, upgrades and replacements of components will be necessary. The processing of refunds to wireless customers may be extremely costly to wireless carriers, and the cost may even exceed the refund amounts. DAGS believes that using the funds as the Board plans is effective or beneficial to the public's safety.

Thank you for the opportunity to testify on this matter.

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