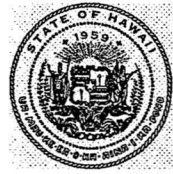


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TESTIMONY  
OF  
RUSS K. SAITO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEE  
ON  
PUBLIC SAFETY & MILITARY AFFAIRS  
ON  
January 31, 2008

H.B. 3367

RELATING TO WIRELESS ENHANCED 911

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

The Department of Accounting and General Services (DAGS) opposes H.B. 3367. It attempts to correct problems that do not exist. Let me start by clarifying several issues addressed in H.B. 3367.

First, the mission of the Wireless Enhanced 911 Board (the Board) is not to reimburse Public Safety Answering Points (PSAPs) and wireless providers for the cost of deploying Phase I and II wireless enhanced 911 service. Act 159, SLH 2004 (the Act), Section 1, states that "The legislature finds that statewide enhanced 911 has proven to be a lifesaving service and....should be available for all users of telecommunications services". This Section goes on further to say that "the legislature also finds it is in the best interest of the public to ensure that there is adequate ongoing funding to support enhanced wireless 911 service.

Second, staffing and personnel services that have been reimbursed by the Board have not been for day to day operations. The situations cited were one time events; one was overtime paid to county staff to attend training sessions on how to use equipment to implement wireless enhanced 911 service and the other was for project management services to assist the counties in implementing wireless enhanced 911 service. The implementation process includes determination of resource requirements including computer hardware and software and adequacy of building infrastructure, wireline 911 trunk requirements, testing coordination with wireless carriers, and training of staff. The counties did not have staff available to perform these functions.

Third, the Board is not a funding source of first resort for the counties via trust accounts or any other financial vehicle and has taken a position that it will not purchase any materials for the PSAPs.

Fourth, the wireline representative does not have a conflict of interest. As Finance Chair, his responsibility is to ensure that only board and committee approved reimbursements are paid. His responsibility is to reform a control function. He does not determine whether or not the wireline services referred to in the bill will be reimbursed by the Board.

Fifth, this Board has been operational for only three years without any permanent staff. In the past three years the Board has worked to bring wireless enhanced service to virtually the whole State. During this time, the Board has faced many challenges in reaching the wireless enhanced 911 service implementation to its current point.

Ambiguities in the annual report are not intentional. Members of the Board including myself, will happily make ourselves available for detailed discussion on Board activities and plans to you and members of your Committee.

Currently in the State, wireless enhanced 911 service is available through all carriers on all islands except for the island of Molokai which has one wireless carrier remaining to be implemented. The Board is now in the planning stages of a project to expand wireless enhanced 911 coverage statewide into remote areas and public buildings with limited wireless coverage (such as the basement in the State Capitol) by building cell towers or placing antennas in these locations. This project is expected to use a substantial portion of the \$20 million balance currently in the enhanced wireless 911 fund.

We oppose this bill for several reasons.

First, elimination of the surcharge will jeopardize ongoing operations and support of wireless enhanced 911 service. If the counties have to fund the maintenance and ongoing cost of wireless enhanced 911 service, there would likely be reduced service levels.

Second, the intention of the Act was to supplant funds for the implementation and operation of wireless enhanced 911 service. Those funds continue to be needed as long as wireless enhanced 911 service remains operational.

Third, it is not effective to refund monthly assessments not needed for fiscal years 2010 and 2011. If they will be needed for future wireless enhanced 911 equipment upgrades and replacement to meet the intention of the Act.

Fourth, if implemented, this bill would cancel the Board's initiative to expand wireless enhanced 911 coverage into remote areas and in building coverage may not be adequately funded. This means that future customers in distress will not be able to call 911 and get help because the signal could not get through. Wireless enhanced 911 service is a life saving service. The Board feels that it should be used to its maximum potential.

With the installation of wireless enhanced 911 service essentially completed and the initiation of the wireless enhanced 911 service expansion project, the Board is estimating that its recurring costs will be approximately \$5 million annually which would be covered by the projected revenue from the revised monthly assessment rate of \$0.43. DAGS recommends that, rather than make significant changes to the Act, the Legislature allow the Board to reduce the monthly assessment rate as is proposed in Administration Bill H.B. 3036 and to complete its expansion project so that the original intent of the Act can be achieved.

Thank you for the opportunity to testify on this matter.