

LINDA LINGLE
GOVERNOR



LATE TESTIMONY

RUSS K. SAITO
Comptroller

BARBARA A. ANNIS
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
PUBLIC SAFETY
ON
January 29, 2009

H.B. 203

RELATING TO WIRELESS ENHANCED 911

Chair Hanohano, and members of the Committee, thank you for the opportunity to testify on H.B. 203.

The Department of Accounting and General Services (DAGS) opposes H.B. 203 for several reasons.

First, the bill would exclude from reimbursement, actions by the wireless carriers and public service answering points to operate the wireless E911 service after the wireless E911 service is made operational. This provision of the bill will result in the PSAPs not being able to effectively operate the service or keep it operational after it is implemented. If the PSAPs are not provided partial funding for the maintenance of computer software and hardware, reliability will be negatively impacted as will be the first responder response time due to equipment failures. In addition, the PSAPs pay the local exchange carrier to provide dedicated wireless 911 telephone trunk lines. Statewide, the trunk charges for the wireless calls are approximately \$1.5 million and the

PSAPs have no budget for this. Without reimbursement, the PSAPs will either have to find funding or curtail wireless enhanced 911 service.

A second provision of the bill, by replacing the word “shall” with “may”, would make the application of the surcharge discretionary rather than mandatory. This would make the funding of wireless E911 service ineffective. In addition it would make the application of the surcharge subject to dispute by wireless customers, wireless service providers, and PSAPs alike. The notion of fairness in the law would be undermined.

A third provision of the bill calls for the auditor to conduct a financial and management audit of the Fund and to submit a review of the Fund every five years. This is an unnecessary expense as the Fund is already subject to audits as provided in §138-7

Audits as follows:

[§138-7 Audits.] (a) *During any period in which a wireless enhanced 911 surcharge is imposed upon customers, the board may request an audited report prepared by an independent certified public accountant that demonstrates that the request for cost recovery from public safety answering points and wireless providers recovers only costs and expenses directly related to the provision of phase I or phase II wireless enhanced 911 service as authorized by this chapter. The cost of the audited reports shall be considered expenses of the board. The board shall prevent public disclosure of proprietary information contained in the audited report, unless required by court order or appropriate administrative agency decision.*

(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. [L 2004, c 159, pt of §2]*

DAGS recommends that this bill be held.

Thank you for the opportunity to testify on this matter.

HB 203
RELATING TO WIRELESS ENHANCED 911

LATE TESTIMONY

JIM LACLAIR
VICE PRESIDENT – NETWORK OPERATIONS
HAWAIIAN TELCOM
JANUARY 29, 2009

Chair Hanohano and Members of the House Committee on Public Safety

I am Jim LaClair, testifying on behalf of Hawaiian Telcom on HB 203, “A BILL FOR AN ACT RELATING TO WIRELESS ENHANCED 911.” Hawaiian Telcom supports this bill with an amendment.

The purpose of HB 203 is for the State Auditor to conduct a financial and management audit of the wireless enhanced 911 fund prior to the 2009 regular session and review every five years thereafter. It also adds definitions and places limits on expenditures from the fund, and makes the surcharge permissible, rather than required. HB 203 also requires the WE911 Board in their 2009 Annual Report to address items as reported in the Boards 2008 Annual Report.

Hawaiian Telcom understands the intent of HB203 in its attempt to define “deployment of phase I and phase II wireless enhanced 911 service,” but this definition does not allow for the provider of E911 services to be reimbursed for purchasing and installing equipment that supports wireless E911 for the public safety answering point (PSAP) if this provider is a wireline service provider.

We respectfully request that HB 203 be amended to allow the wireline service provider of E911 service to be reimbursed for equipment needed to support wireless E911 service by the WE911 fund that is necessary to continue seamless and reliable interconnection between the wireless E911 and wireline E911 systems. We propose

the following amendment—in bold text—to HB 203 (Page 1, lines 16-18; Page 2, lines 1-4):

“Deployment of phase I and phase II wireless enhanced 911 service”
means those actions necessarily taken by the wireless provider **or**
existing E911 network infrastructure provider to provide phase I
and phase II wireless enhanced 911 service upon request of a public
safety answering point and by the public safety answering point to make
the service operational, but does not include actions thereafter taken to
operate the service.”

Thank you for your consideration of our amendment and for the opportunity to testify.