

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2695

February 8, 2010

RELATING TO NON-GENERAL FUNDS

Senate Bill No. 2695 authorizes the Director of Finance to transfer \$10 million from certain special and revolving funds to the general fund in Fiscal Year 2010. More specifically, \$5 million from the Wireless Enhanced 911 Fund, \$500,000 from the State Motor Pool Revolving Fund, \$1 million from the State Risk Management Revolving Fund, \$1.5 million from the Medicaid Investigations Recovery Fund, and \$2 million from the University of Hawaii Housing Assistance Revolving Fund to the general fund in Fiscal Year 2010.

These transfers are needed to assist in addressing the severe budget shortfall facing the State and ensuring that the State is operating within a balanced budget. When the Fiscal Year 2011 Executive Supplemental Budget was submitted, we had projected general fund balances of \$60.3 million and \$162.7 million at the end of Fiscal Years 2010 and 2011, respectively. To achieve these balances, we counted on transferring \$10 million from these special and revolving funds. Thus, it is critical that these transfers are authorized.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
February 8, 2010 at 9:30 a.m.

by  
Howard Todo  
Vice President for Budget & Finance/CFO, University of Hawai'i

### SB 2695 – RELATING TO NON-GENERAL FUNDS

Chair Kim, Vice Chair Tsutsui and Members of the Committee:

Thank you for the opportunity to testify on this measure.

The purpose of the University of Hawai'i Housing Assistance Revolving Fund (HARF) is to provide financial assistance and rental housing units to faculty and staff of the University of Hawai'i. This is crucial for the recruitment and retention of the qualified faculty required in order for the University to continue to be the global university system that the state needs it to be.

As reported to your committee in the University's budget briefing, as of November 2009, there was \$4,590,642 in the HARF. These funds support two primary functions: 1) the operations of the Kau'iokahaloa Iki (K-Iki) faculty housing facility and 2) providing funds to assist faculty in financing the purchase of housing.

#### K-Iki

The funds for operating K-Iki consist of 3 accounts totaling \$2,474,775 as of November 2009. The State Real Estate Commission requires a Condominium Maintenance Fee Reserve equal to 100% of estimated replacement costs of the cash flow plan approved by the commission, which will need to be \$2,081,200 by fiscal year 2015. At this point there is only \$1,186,141 in this account, which also funds annual repairs and replacements of furniture and equipment. In addition, a reserve of \$600,000 is required to repurchase one remaining K-Iki unit which currently owned by a faculty member. In the past year, one unit was repurchased by the UH for \$648,000, leaving only one unit not owned by the University. After these two requirements, the remaining \$688,000 is needed to fund the operating expenses of K-Iki.

#### Housing Assistance

In the past year, the University implemented a program to assist faculty in financing the purchase of housing. \$1.5 million was expended to fund this program, which has been very well received by the faculty. With the success of this program, the balance of \$2,115,868 for this purpose is critical for the continuation and expansion of the program. Especially in these difficult economic times, this program, which provides funds to

guarantee loans by high performing faculty is critical for the recruitment and retention of highly qualified faculty to achieve the goals for increasing the number of educated citizens in the state of Hawai'i, contributing to the workforce and the economy, and advancing the University of Hawai'i's reputation for excellence and its ability to build the state's capacity as set forth in President MRC Greenwood's state of the University address.

In summary, taking funds from the Housing Assistance Revolving Fund would severely impair the Faculty Housing Program's ability to be self-sustaining. It would cripple the Faculty Housing Program's ability to meet its immediate financial obligations such as property management fees, routine maintenance costs, and utilities, placing its financial health in jeopardy. Deferring repair and replacement projects would end up costing the University more in the long-run, and would likely create safety issues. Terminating the mortgage assistance guarantee program would severely hamper the efforts of the University to recruit and retain qualified faculty and staff.

We ask you not to take these critical funds from the University of Hawai'i.

Thank you for the opportunity to present our concerns with regard to this measure.

POLICE DEPARTMENT  
**CITY AND COUNTY OF HONOLULU**

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MUF HANNEMANN  
MAYOR

LOUIS M. KEALOHA  
CHIEF

DELBERT T. TATSUYAMA  
RANDAL K. MACADANGDANG  
DEPUTY CHIEFS

OUR REFERENCE MC-LS

February 8, 2010

The Honorable Donna Mercado Kim, Chair  
and Members  
Committee on Ways and Means  
The Senate  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Mercado Kim and Members:

Subject: Senate Bill No. 2695, Relating to Non-General Funds

I am Marie McCauley, Major of the Communications Division of the Honolulu Police Department (HPD), City and County of Honolulu.

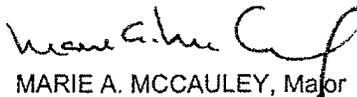
The HPD strongly opposes Senate Bill No. 2695. Section 2 of this proposed legislation seeks to move \$5 million of the monies collected from wireless customers that were deemed for maintaining and upgrading the infrastructure for emergency services. Also, the public expects the monies collected to be used specifically for their safety.

The cost to maintain our current system is ever increasing, not to mention the upgrade cost for the Next Generation 9-1-1 project. Technology is evolving at an alarming rate, and the Public Safety Answering Points have a responsibility to keep up the pace to protect our communities.

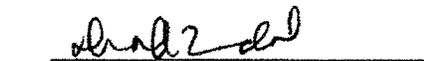
The federal government has clearly affirmed that states that raid wireless funds for use in the general fund may be ineligible for certain federal grant programs.

Thank you for giving us the opportunity to express our strong opposition to this bill.

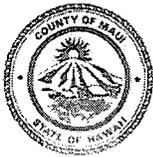
Sincerely,

  
MARIE A. MCCAULEY, Major  
Communications Division

APPROVED:

  
LOUIS M. KEALOHA  
Chief of Police

*Serving and Protecting With Aloha*



**CHARMAINE TAVARES**  
MAYOR

OUR REFERENCE  
YOUR REFERENCE

## **POLICE DEPARTMENT**

### **COUNTY OF MAUI**

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**GARY A. YABUTA**  
CHIEF OF POLICE

**CLAYTON N.Y.W. TOM**  
DEPUTY CHIEF OF POLICE

February 3, 2010

The Honorable Donna Mercado Kim, Chair  
And Members of the Committee on Ways and Means  
The Senate  
State Capitol  
Honolulu, Hawaii 96813

Re: S.B. No. 2695, Relating to Non-General Funds

Dear Chair Kim and Members:

The Maui Police Department is in strong opposition to S.B. No. 2695, Relating to Non-General Funds. This bill would call for the transfer of at least \$5,000,000 from the Wireless Enhanced 9-1-1 Fund to the general fund. This fund and its intended purpose is for the enhancement and continued maintenance on the existing E9-1-1 system that answers and responds to over 1,149,000 9-1-1 calls annually in the State. These funds are important to the continued delivery of enhancements to the 9-1-1 network as devices continue to be introduced to the public such for text messaging, video messaging, telematics vehicles, all which use the 9-1-1 wireless network to request emergency response.

The Enhance Act of 2004 (Public Law 108-494) and The New and Emerging Technologies 911 Improvement Act of 2008 (Public Law 110-283) clearly identify that any communications service provider that imposes the collection of a fee for the support or implementation of 9-1-1 or enhanced 9-1-1 services, provided that the fee or charge is obligated or expended only in support of 9-1-1 and enhanced 9-1-1 services, or enhancements of such services, as specified in the provisions of State or local law adopting the fee or charge.

Simply stated, all monies collected on a consumer's bill identified for the purposes of 9-1-1 or E9-1-1 must be expended only for 9-1-1 or E9-1-1, as provided for in the two (2) Public Laws that governs the State's authorization to collect fees for the purposes of 9-1-1 or E9-1-1.

The Honorable Donna Mercado Kim, Chair  
And Members of the Committee on Ways and Means  
February 3, 2010  
Page 2

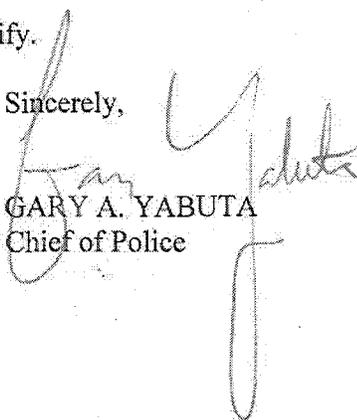
In addition, the Public Law requires that states must report yearly on their compliance to the law. Failure to comply will exclude the states from any Federal Grant money as described within this public law. Public Law 108-494, has met its five-year life span for the program office (and remains active under special conditions). It does not remove the mandate which requires 9-1-1 monies collected be used for that purpose.

To further clarify the Federal Government's position on using 9-1-1 monies for other than its intended use, Congress enacted the New and Emerging 911 Improvement Act of 2008 (Public Law 110-283). Senator Daniel K. Inouye as the Commerce Committee Chairman, along with the sponsors Senator Stevens, Clinton, Stowe, and Lautenberg, worked tirelessly to ensure the passage of this legislation. This law continues to reinforce State's authority and responsibility to only expend the fees in support of 9-1-1 and enhanced 9-1-1 services.

The Maui Police Department humbly asks for you support in opposing S.B. No. 2695.

Thank you for the opportunity to testify.

Sincerely,



GARY A. YABUTA  
Chief of Police



COUNTY OF KAUAI  
**Fire Department**  
Mo'ikeha Building  
4444 Rice Street, Suite 295  
Lihu'e, Kaua'i, Hawaii 96766

TESTIMONY  
OF  
KAUAI COUNTY FIRE DEPARTMENT  
TO THE  
SENATE COMMITTEE  
ON  
WAY'S AND MEAN'S  
ON  
FEBRUARY 8, 2010

S.B. 2695

RELATED TO THE WIRELESS 9-1-1 FUND

Chair Kim, Vice Chair Tsutsui and members of the Committee, thank you for the opportunity to testify on S.B. 2695.

We submit this letter of strong opposition to S.B. 2695 that would call for the transfer of at least \$5,000,000 from the Wireless Enhanced 9-1-1 Fund to the general fund. This fund and its intended purpose is for the enhancement and continued maintenance on the existing E9-1-1 system that answer's or responds to over 1,149,000 9-1-1 calls annually in the State. Devices continue to be introduced to the public that requires constant upgrades to the 9-1-1 network which will eventually allow for text messaging, video messaging, telematics vehicles, all which use the 9-1-1 wireless network.

The Enhance Act of 2004 (Public Law 108-494) and The New and Emerging Technologies 911 Improvement Act of 2008 (Public Law 110-283) clearly identify that any communications service provider that imposes the collection of a fee for the support or implementation of 9-1-1 or enhanced 9-1-1 services, provided that the fee or charge is obligated or expended only in support of 9-1-1 and enhanced 9-1-1 services, or enhancements of such services, as specified in the provisions of State or local law adopting the fee or charge.

Simply stated, all monies collected on a consumer's bill identified for the purposes of 9-1-1 or E9-1-1 must be expended only for 9-1-1 or E9-1-1 as provided for in the two (2) Public Laws that governs the States authorization to collect fees for the purposes of 9-1-1 or E9-1-1. More specifically;

**The Enhance Act of 2004 (Public Law 108-494)** Congress found that:

*(1) for the sake of our Nation's homeland security and public safety, a universal emergency telephone number (911) that is enhanced with the most modern and state-of-the-art telecommunications capabilities possible should be available*

*to all citizens in all regions of the Nation;*

*(2) enhanced emergency communications require Federal, State, and local government resources and coordination;*

*(3) any funds that are collected from fees imposed on consumer bills for the purposes of funding 911 services or enhanced 911 should go only for the purposes for which the funds are collected; and*

*(4) enhanced 911 is a high national priority and it requires Federal leadership, working in cooperation with State and local governments and with the numerous organizations dedicated to delivering emergency communications services.*

The law also requires yearly that the State must report on their compliance to the law, as failure to comply will exclude the State from any Federal Grant money as described within this public law. Public Law 108-494, has met it's five year life span for the program office (and remains active under special conditions) it does not remove the mandate which requires 9-1-1 monies collected be used for that purpose.

**The New and Emerging Technologies 911 Improvement Act 2008 (Public Law 110-283)** The law requires Internet Protocol (IP) enabled voice service providers to provide 9-1-1 and enhanced 9-1-1 service to its subscribers in accordance with the requirements of the Federal Communications Commission, as in effect on the date of the enactment of the New and Emerging Technologies 911 Improvement Act of 2008 and as such requirements may be modified by the Commission from time to time.

To further clarify the Federal Governments position on using 9-1-1 monies for other than it's intended use, Congress enacted the New and Emerging 911 Improvement Act of 2008 (Public Law 110-383. Senator Daniel Inouye as the Commerce Committee Chairman, along with the sponsors Senator Stevens, Clinton, Stowe and Lautenberg worked tirelessly to ensure the passage of this legislation. This law continues to reinforce State's authority over 9-1-1 fees.

*STATE AUTHORITY OVER FEES.—*

*“(1) AUTHORITY.—Nothing in this Act, the Communications Act of 1934 (47 U.S.C. 151 et seq.), the New and Emerging Technologies 911 Improvement Act of 2008, or any Commission regulation or order shall prevent the imposition and collection of a fee or charge applicable to commercial mobile services or IP-enabled voice services specifically designated by a State, political subdivision thereof, Indian tribe, or village or regional corporation serving a region established pursuant to the Alaska Native Claims Settlement Act, as amended (85 Stat. 688) for the support or implementation of 9-1-1 or enhanced 9-1-1 services, provided that the fee or charge is obligated or expended only in support of 9-1-1 and enhanced 9-1-1 services, or enhancements of such services, as specified in the provision*

*of State or local law adopting the fee or charge. For each class of subscribers to IP-enabled voice services, the fee or charge may not exceed the amount of any such fee or charge applicable to the same class of subscribers to telecommunications services.*

*“(2) FEE ACCOUNTABILITY REPORT.—To ensure efficiency, transparency, and accountability in the collection and expenditure of a fee or charge for the support or implementation of 9-1-1 or enhanced 9-1-1 services, the Commission shall submit a report within 1 year after the date of enactment of the New and Emerging Technologies 911 Improvement Act of 2008, and annually thereafter, to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives detailing the status in each State of the collection and distribution of such fees or charges, and including findings on the amount of revenues obligated or expended by each State or political subdivision thereof for any purpose other than the purpose for which any such fees or charges are specified.*

On behalf of the Kauai County Fire Department thank you for this opportunity to testify.

Sincerely,



Robert Westerman  
Fire Chief, County of Kaua'i

RFW/eld

**TAXBILLSERVICE**

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Transfer of non general funds

BILL NUMBER: SB 2695: HB 2542 (Identical)

INTRODUCED BY: SB by Hanabusa by request; HB by Say by request

BRIEF SUMMARY: Provides that the legislature determines that there are excess amounts in the following funds and authorizes the director of finance to transfer such excess amounts to the general fund for fiscal 2010:

Wireless enhanced 911 fund	\$5,000,000
State motor pool revolving fund	500,000
State risk management revolving fund	1,000,000
Medicaid investigations recovery fund	1,500,000
UH housing assistance revolving fund	2,000,000

EFFECTIVE DATE: Upon approval

STAFF COMMENTS: This is an administration measure submitted by the department of budget and finance BUF-17(10). The proposed measure would transfer \$10 million in non general funds that are determined to be in excess of what is needed in the fund, to the general fund. Due to the state budget shortfall, lawmakers are searching for moneys to cover that shortfall and are tapping the various non general funds of the state.

In a report prepared by the state auditor, the report noted that, "Special funds give agencies full control of these unappropriated cash reserves, provide a way to skirt the general fund expenditure ceiling, and over time erode the general fund. Many experts say that special funds are likely to hamper budget administration. And from a legislative perspective, they are less desirable because they are not fully controlled by the appropriation process."

Given the findings of the Auditor and the current financial crisis, it is quite clear that the creation of numerous special funds has eroded the integrity of state finances. Moneys in special funds are neither subject to the general fund expenditure limitation nor to the close scrutiny that general funds are subject to in the budgeting process. Special funds which earmark general fund revenues cannot be justified as they restrict budget flexibility, create inefficiencies, and lessen accountability.

There is no doubt that carving out portions from the general fund has created the lack of funds lawmakers face each year. Such a shortfall will inevitably lead to a call for tax increases even though money abounds in these special funds. One only has to review the measures introduced each year which set up numerous new special funds or add new fees or charges, the receipts of which are earmarked for special funds, to see the prolific establishment of special funds. The result is what this measure proposes to do, to raid these special funds.

As has been consistently noted, these fees were increased or approved and earmarked for totally irrelevant programs. The result has been this mismatch of either not enough funds to carry out the program or, as in this case, an excess of funds that then become the target for a raid like this. Lawmakers should learn a lesson and repeal many of the earmarked sources and their special funds and cease from creating any more new special funds or earmarking any more revenues for such worthy causes.

That being said, it should be noted that when the measure allowing the raid of the 911 fund bill was under consideration last session, the public safety community pointed out that raiding these earmarked funds for purposes other than those designated by the state statute would jeopardize any matching federal funding to develop next generation technology under the Public Safety Answering Point program (PSAP) that would develop a system that would accept text messaging, video streaming, and other forms of developing telecommunication technologies. It was reported that the National E-9-1-1 Implementation and Coordination Office was about to release grant information regarding the implementation of a \$43.5 million PSAP grant program. Officials were cautioned that any state that has diverted E-9-1-1 fees for purposes not authorized by the statute . . . would not be eligible to apply for grant funding. Whether or not the state actually took the \$16 million authorized by Act 79, SLH 2009, has not been confirmed, but if it was transferred to the general fund, then it appears Hawaii is no longer eligible for these federal grants.

Rather than merely raiding these funds, lawmakers need to bring all of these special fund financed programs back to the table along with their funding sources and then set priorities among the many programs given what limited dollars there may be and fund those programs deemed of highest priority and close those for which no funding is available.

Digested 2/3/10

**SB 2695 TESTIMONY SUBMITTED BY  
THE NATIONAL EMERGENCY NUMBER ASSOCIATION (NENA)  
THE 9-1-1 INDUSTRY ALLIANCE  
CTIA – THE WIRELESS ASSOCIATION®**

February 5, 2010

On behalf of the wireless industry and the national 9-1-1 community, CTIA<sup>1</sup>, the 9-1-1 Industry Alliance (9IA)<sup>2</sup> and the National Emergency Number Association (NENA)<sup>3</sup> submit the following testimony in opposition to SB 2695, the “Transfer of Non General Funds”, which will take \$5 million in revenue collected from wireless consumers under the auspices of 9-1-1 and spend the revenue for general purposes. This funding is extremely critical to our nation’s 9-1-1 systems, ensuring that wireless 9-1-1 callers can be quickly and accurately located in emergency situations. These wireless emergency calls help to save lives, locate missing children, mitigate property damage by allowing timely response, and prevent numerous crimes. NENA, the 9IA and CTIA are very cognizant of the critical budget issues that currently face Hawai’i. However, in the interest of public safety, this fund needs to be used for its intended purpose. We consider this particularly important given the fact that the Hawai’i legislature already took \$16 million from the fund at the start of this fiscal year.

Wireless carriers annually collect nearly \$2 billion dollars of dedicated taxes, fees and surcharges from wireless consumers for the express purpose of supporting and upgrading the capabilities of the 6,174 Public Safety Answering Points (PSAPs) that exist across the U.S. In addition to the nearly \$2 billion dollars annually collected from consumers and remitted to state and local governments, wireless service providers have also expended billions to modify their networks to enable them to identify and locate wireless 911 callers.

This significant investment of capital provided in good faith by wireless consumers through 9-1-1 fees or surcharges has been and continues to be extremely critical in supporting public safety in any given state, including Hawai’i. However, the taxes and fees collected from wireless consumers at the state and local level under the auspices of E9-1-1 deployment need to be solely dedicated to the advancement of E9-1-1 deployment and not used for other revenue purposes. Not only is this the appropriate policy in the best interest of Hawai’i’s citizens and the visitors that depend on an effective 9-1-1 system, but also it is consistent with the direction of the United States Congress.

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<sup>1</sup> CTIA – The Wireless Association® is the international organization of the wireless communications industry for both wireless carriers and manufacturers. Membership in the organization covers Commercial Mobile Radio Service (“CMRS”) providers and manufacturers, including cellular, broadband PCS, ESMR, and AWS, as well as providers and manufacturers of wireless data services and products.

<sup>2</sup> 9IA is a national industry association of over two dozen public safety emergency communications companies which advocates for the development of emergency communications technology and infrastructure and policy, for the good of public safety and the public it serves. (See [www.911alliance.org](http://www.911alliance.org) for more information.)

<sup>3</sup> NENA is *The Voice of 9-1-1*™. NENA promotes implementation and awareness of 9-1-1 as North America’s universal emergency number and the advancement of Next Generation 9-1-1 systems. NENA is the leading professional non-profit organization dedicated solely to 9-1-1 emergency communications issues. NENA serves its nearly 7,000 members in 48 chapters across the U.S., Canada and Mexico through policy advocacy, establishment of technical and operational standards, certification programs and a broad spectrum of educational offerings. Find out more at [www.nena.org](http://www.nena.org).

As a result of other states diverting money from their 9-1-1 funds, the U.S. Congress has taken several steps to prevent this practice from occurring. First, through the ENHANCE 911 Act of 2004 (Pub. Law 108-494), Congress made clear that states are ineligible for federal 9-1-1 grant money if the state has misallocated 9-1-1 fees for unintended purposes. The National 9-1-1 Office, which will administer the federal 9-1-1 grant program, has incorporated this requirement into its regulations for administration of these grants. If Hawai'i diverts their 9-1-1 funds as directed by SB 2695, the state will be automatically ineligible to apply for such funds in the future.

More recently, Congress passed the NET 9-1-1 Improvement Act (Pub. Law 110-283) that also highlights the need to keep 9-1-1 fees protected for the purposes intended. This law addresses the issue of state 9-1-1 fund diversions in two important respects. First, the law makes clear that state and local governments have the authority to impose 9-1-1 fees on wireless and voice over-IP (VoIP) providers only if the fees are used for their intended purpose:

*Nothing in this Act, the Communications Act of 1934 (47 U.S.C. 151 et seq.), the New and Emerging Technologies 911 Improvement Act of 2008, or any Commission regulation or order shall prevent the imposition and collection of a fee or charge applicable to commercial mobile services or IP-enabled voice services specifically designated by a State, political subdivision thereof, Indian tribe, or village or regional corporation serving a region established pursuant to the Alaska Native Claims Settlement Act, as amended (85 Stat. 688) for the support or implementation of 9-1-1 or enhanced 9-1-1 services, provided that the fee or charge is obligated or expended only in support of 9-1-1 and enhanced 9-1-1 services, or enhancements of such services, as specified in the provision of State or local law adopting the fee or charge. For each class of subscribers to IP-enabled voice services, the fee or charge may not exceed the amount of any such fee or charge applicable to the same class of subscribers to telecommunications services.*

Second, the law also requires the Federal Communications Commission (FCC) to monitor the practice of state implementation and collection of 9-1-1 fees:

*To ensue efficiency, transparency, and accountability in the collection and expenditure of fees for the support or implementation of 911 or E-911 services, the Commission[FCC] shall submit a report within 1 year after the date of enactment of the 911 Modernization and Public Safety Act of 2007, and annually thereafter, to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives detailing the status in each State of the collection and distribution of 911 fees, and including findings on the amount of revenues obligated or expended by each State or political subdivision thereof for any purpose other than the purpose for which any fee or charges are specified. (H.R.3403 Sec 6(f)(20).*

The wireless industry and the national 9-1-1 community are committed to working together with states to ensure emergency 9-1-1 services is a coordinated and collaborative operation between the public and private sectors and provided at a reasonable cost. The capital provided to state governments by wireless consumers through taxes, fees or surcharges is extremely critical in supporting the acquisition of the necessary tools to receive and act on wireless calls in order to save a life, locate a missing child or prevent a crime.

Based on the current budget approved by the Wireless Enhanced 9-1-1 Board there will be only \$5.6 million in the fund at the end of this fiscal year. Taking \$5 million from the fund would leave it at a critically low balance of only about \$600,000. In short, in addition to being contrary to federal law, diverting revenues away from the 9-1-1 fund at this time is not in the best interest of the citizens of Hawai'i who have come to rely on an effective and dependable 9-1-1 system. Therefore, the wireless industry, the 9-1-1 Industry Alliance and the National Emergency Number Association urge the Hawai'i Senate to oppose SB2695 and not divert critical public safety funds for general revenue purposes.

Patrick Halley  
Government Affairs Director  
National Emergency Number Association



Paul Fahey  
Executive Director  
9-1-1 Industry Alliance



K. Dane Snowden  
Vice President of External and State Affairs  
CTIA- The Wireless Association





Dan Youmans  
President – Washington/Hawaii  
External Affairs

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February 8, 2010

The Honorable Senator Donna Mercado Kim  
Chair, Senate Ways and Means Committee  
Hawaii State Senate

*RE: Opposition to Wireless E911 Fund Raid in Senate Bill 2695*

Dear Senator Mercado Kim and Members of the Committee:

AT&T opposes the provisions in Senate Bill 2695 that would sweep \$5 million from the Wireless E911 Fund to the General Fund. We understand that the state faces a substantial budget deficit, however, we respectfully submit that this raid of Wireless E911 surcharges would be a misuse of funds intended for public safety.

Each month our wireless customers pay into the Wireless E911 Fund with the knowledge that these monies will be used to support the E911 system. Thanks to the investment made by our customers, public safety agencies can now provide the ability to call back a cell phone customer who has dialed 911 and determine the approximate location of that customer. This service is critical, especially when a person does not have access to a landline phone to call 911, which is the case in many emergencies.

The state's budget problems should not be resolved through the use of funds intended for this very important public safety purpose. If the Wireless E911 Fund will have an ongoing surplus that cannot be used for the 911 system, then a more appropriate action would be to reduce the monthly surcharge on wireless consumers.

Again, AT&T is sympathetic to the budget challenges facing the State of Hawaii. However, we urge you to preserve the funds dedicated to wireless E911 so that investments can continue in this life-saving technology.

Respectfully Submitted,

Dan Youmans  
AT&T



Joyce Masamitsu  
Associate Director  
State Public Policy, West Area



February 8<sup>th</sup>, 2010

The Honorable Senator Donna Mercado Kim  
Chair, Committee on Ways and Means

Verizon Wireless  
15505 Sand Canyon Avenue  
Irvine, CA 92618  
Phone 949 286-8668  
Mobile 949 233-0925  
Fax 949 286-8009  
joyce.masamitsu@VerizonWireless.com

***RE: Opposition to Senate Bill 2695***

Dear Senator Mercado Kim and Members of the Committee:

On behalf of Verizon Wireless, I am writing this letter of strong opposition to Senate Bill 2695, legislation that would inappropriately divert Wireless E9-1-1 funds from their intended use to ensure availability of E9-1-1 services to wireless users and to provide critical support to Public Safety, and instead divert monies for the second consecutive year, to the General Fund.

While Verizon Wireless recognizes that the state of Hawaii is currently faced with a serious budget deficit, and policymakers are seeking ways to meet the state's fiscal needs, we do not believe that diverting funding resources essential to Public Safety to maintain, support and upgrade critical emergency 911 systems is warranted or justified.

Verizon Wireless specifically requests SB 2695 be amended, to remove "Section 2" in its entirety, leaving the wireless E9-1-1 fund intact. Failure to do so, risks jeopardizing the safety of Hawaii residents and visitors, who use wireless Enhanced 911 services to save lives, locate missing children and prevent numerous crimes.

Verizon Wireless customers are billed with a line item description "*HI State 911 Surcharge*" applied to their account every month, under the assumption that monies collected would be used for Wireless E-911 services. It would be unfair to wireless customers to bill them for a purpose for which the money is not used. The diversion of wireless 911 funds for purposes outside of wireless emergency services is therefore inappropriate.

Emergency 911 calls are increasingly placed by wireless users to report life-threatening emergencies. Today, 911 services are limited to voice calls however future technologies will allow PSAP's to receive text messaging and possibly picture and video communications. Such advanced service capabilities, will allow operators to more efficiently manage emergency communications received from wireless users and to more accurately assess the kind of emergency, the appropriate equipment, personnel or expertise first responders will need to best deal with the emergency. For this reason, Local Public Safety agencies will need additional funding beyond Phase I and Phase II implementations to accommodate the deployment of essential Next Generation of 9-1-1 (NG9-1-1) services in the very near future.

The wireless E-911 fund supports the deployment wireless 9-1-1 infrastructure and emergency services essential to the safety of the public. It provides a reliable funding resource for operators who accept emergency calls, Public Safety Answering Points (PSAPs), to ensure their emergency systems are maintained and upgraded appropriately. Currently, PSAPs have a long lead-time in the procurement process for the counties to proceed with acquisition of equipment and services, so it is important for the fund to maintain adequate reserves. There is concern that a subsequent raid of the E9-1-1 fund, as proposed by SB 2695, will result in the PSAPs inability to support current emergency needs for public safety and will thwart access to procure new equipment to meet Next Generation 9-1-1 (NG9-1-1) deployment plans over the next 5 years. During these trying economic times, city and county budgets are also under siege, making the Wireless E9-1-1 fund increasingly important to ensure local government public safety agencies have access to resources needed to support critical emergency services, today and in the future.

Verizon Wireless is committed to our support of Public Safety needs in the state of Hawaii to ensure the ongoing availability, maintenance and upgrade of Wireless Enhanced 9-1-1 services as well as future Next Generation technologies that will expand the availability of emergency services assisting both the public and first responders. We believe that the legislature must move forward with its goals to address the gap in the state budget, without risking weakening the state's emergency E9-1-1 system by diverting funds for yet a second consecutive year. To this end, we respectfully ask Chairman Mercado Kim and Members of the Committee to not pass Senate Bill 2695 in its current form, and instead remove Section 2 that would transfer emergency wireless 9-1-1 fund revenues into the General Fund.

Thank you for your consideration.

Sincerely,



Joyce Masamitsu