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BILL ANALYSIS

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Senate Bill 18 (Substitute S-2 as reported)

Sponsor: Senator Vern Ehlers

Committee: Health Policy

Date Completed: 4-20-89

RATIONALE

In order to facilitate the statewide development of the 9-1-1 emergency telephone system, the Legislature in 1986 enacted the Emergency Telephone Service Enabling Act. The Act set up a process for county boards of commissioners to establish local 9-1-1 systems and for telephone companies to pass on to their subscribers part of the companies' recurring and nonrecurring network costs for providing the 9-1-1 service. (Nonrecurring costs are the suppliers' start-up costs necessary to make 9-1-1 operational. Recurring costs include maintenance, service, equipment, and tie lines.) In addition, the Act created the Emergency Telephone Service Committee and required it to report to the Legislature by March 31, 1993. Since communities are now in the process of planning and implementing 9-1-1 systems, however, the Committee already has issued a report to enable the State to respond in a timely manner. Although the Committee reports a reduction in economic and technological difficulties, as well as political barriers (where telephone company exchanges do not coincide with municipal boundaries), the Committee recommends various changes to the Act, such as allowing communities to establish a 9-1-1 system without using the financing method provided in the Act, authorizing a higher surcharge for nonrecurring charges, and extending the period for amortizing start-up costs.

CONTENT

The bill would amend the Emergency

Telephone Service Enabling Act to:

- Establish requirements for a public agency that planned to establish a 9-1-1 system without using the emergency telephone charge financing method provided in the Act.
- Extend from five years to 10 years the amortization period for certain costs and charges.
- Increase the amount that could be charged for nonrecurring costs and charges.
- Provide for technical assistance from the Department of Management and Budget and the Emergency Telephone Committee in formulating and/or implementing a 9-1-1 service plan.
- Provide for dispute resolution between or among service suppliers, counties, public agencies, or public service agencies.
- Specify additional duties for the Emergency Telephone Service Committee.
- Extend the sunset date for the Act from March 31, 1993, to March 31, 1998.

Establishing a System

A public agency that planned to establish a 9-1-1 system without using the emergency telephone charge financing method provided in

the Act (MCL 484.1401) would be required to do all of the following:

- Provide public notice of its intent to enter into a contract for 9-1-1 services, which would have to be given in the same manner as required in the Act for giving notice of a hearing on a final service plan (MCL 484.1308).
- Provide public notice of its intent to enter into a contract for 9-1-1 services to the board of commissioners of the county where the public agency is located and to other public agencies that share wire centers with the contracting public agency. The public notice would have to be given in the same manner as required for notice of a hearing on a final service plan.
- Conduct a public hearing in the same manner as required in the Act for a hearing on a final service plan (MCL 484.1309).

Emergency Telephone Charge

The Act currently provides that the portion of the emergency telephone charge that represents start-up costs, nonrecurring billing, installation, service, and equipment charges of the service supplier must be amortized for not more than five years. The bill would extend the period to 10 years.

The Act provides that the amount of emergency telephone charge payable monthly by a service user for recurring costs and charges cannot exceed 2% of the highest monthly base rate charged by the service supplier for one-party unlimited calling within the 9-1-1 service district, and the amount for nonrecurring costs and charges cannot exceed "an additional like amount". The bill would raise the amount for nonrecurring costs and charges to 5% of the highest monthly base rate.

Technical Assistance/Resolving Disputes

Under the bill, the Department of Management and Budget (DMB) and the Emergency Telephone Service Committee, in addition to the Public Service Commission (PSC) as already specified in the Act, would be required to provide technical assistance, upon request, for the formulation and/or implementation of a 9-

1-1 service plan. The bill also would require these entities to provide assistance in resolving disputes between or among service suppliers, counties, public agencies, or public safety agencies regarding their respective rights and duties under the Act.

A service supplier, county, public agency, public service agency, or a combination of those entities that had a dispute with another arising from the formulation and/or implementation of a 9-1-1 service plan would be required to request assistance from the PSC, the DMB, and the Emergency Telephone Service Committee in resolving the dispute.

If a dispute, between or among one or more service suppliers, counties, public agencies, or public service agencies regarding their respective rights and duties under the Act, arose from the formulation or implementation of a 9-1-1 service plan, a contested case proceeding to resolve the dispute could not be initiated unless the PSC, the DMB, and the Emergency Telephone Service Committee had provided assistance in resolving the dispute and the dispute remained unresolved.

Emergency Telephone Service Committee

In addition to the duties of the Committee outlined in the Act, the bill would require the Committee to:

- Meet at least four times a year. Currently, the Committee is required to meet but the number of meetings is not specified.
- Assess the progress of implementing the 9-1-1 system statewide. The bill would delete current provisions on researching and making recommendations to the Legislature by March 31, 1993, on coordinating and establishing a statewide emergency telephone service.
- Develop a model 9-1-1 implementation plan. The bill would delete current provisions on researching and making recommendations to the Legislature and DMB on providing statewide staff assistance to 9-1-1 service districts.
- Provide the technical and dispute resolution assistance required in the bill.
- Perform other duties as necessary to promote successful development,

implementation, and operation of 9-1-1 systems across the State.

- Assess, report, and make recommendations to the Legislature, the DMB, and the PSC at least once every two years on the progress made in developing, implementing, and operating 9-1-1 systems and coordinating and establishing emergency telephone service statewide.

The DMB and PSC would be required to provide staff assistance to the Committee as needed to carry out the Committee's duties under these provisions.

MCL 484.1401 et al.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

ARGUMENTS

Supporting Argument

The bill would improve a law designed to save lives. In recent years, the ability of emergency services to respond effectively to police, fire, and medical emergencies has become increasingly sophisticated and efficient. At the same time, however, there has not necessarily been a corresponding improvement in the ability of those in trouble to set the emergency services in motion. Although many communities have improved their emergency responses by adopting the universal 9-1-1 emergency number, this system has not been developed statewide because of the difficulties inherent in establishing such a system in multi-jurisdictional areas. The Emergency Telephone Service Enabling Act was passed to address these difficulties. While the Act has enabled local communities and telephone companies to overcome many of these problems, some obstacles remain, particularly in regard to financing a 9-1-1 system. According to the Department of Management and Budget, under the current Act, 46 counties would not be able to acquire enough revenue to pay the telephone company network nonrecurring costs for basic 9-1-1 service. By increasing the amount that could be charged, as well as implementing other recommendations of the Emergency Telephone Service Committee, the bill would

enhance the State/local partnership and help make statewide access to 9-1-1 services a reality.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.