



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

WIRELESS EMERGENCY PHONE SERVICE

House Bill 5653

Sponsor: Rep. Judith Scranton

Committee: Public Utilities

Complete to 5-29-98

A SUMMARY OF HOUSE BILL 5653 AS INTRODUCED 3-11-98

House Bill 5653 is part of a package of bills dealing with emergency telephone service. The bill, and House Bill 5289, to which it is tie-barred, would amend the Emergency Telephone Service Act to provide for wireless emergency telephone service (for more information about House Bill 5289, see the House Legislative Analysis Section summary of the bill dated 10-16-97). The two other bills in the package are Senate Bill 1009 and Senate Bill 1010, which would also amend the Emergency Telephone Service Act (for more information on the Senate bills, see the Senate Fiscal Agency summary of Senate Bills 1009 and 1010 dated 3-17-98).

Fund. House Bill 5653 would create a state commercial mobile radio service emergency telephone fund. The fund would be created within the state treasury. The treasurer would be required to direct the investment of the fund assets and could receive money or other assets from any source for deposit in the fund. Fund interest and earnings would be credited to the fund and the money in the fund at the close of the fiscal year would remain there and would not lapse into the general fund.

Each commercial mobile radio service (CMRS) supplier would be required to include a 65 cent service charge per month for each CMRS connection that had a billing address in this state. The charge would be listed separately on each bill and would not be subject to state or local taxes. Suppliers would be required to implement the billing provisions no later than 120 days after the effective date of the bill. The money collected would be deposited in the fund no later than 30 days after the end of the quarter in which the charge was collected. Each supplier would keep one percent of the total service charges collected to cover the costs of billing and collection. Unless the customer specified otherwise, the supplier could give priority to payment of the balance due to the supplier when a partial payment of a monthly bill was received. A supplier would not be liable for an uncollected service charge, provided that the supplier had billed the customer.

[Note: The term "commercial mobile radio service" would mean that service as regulated under the Federal Communications Act and would include wireless two-way communications devices like cellular telephone service or personal communication service, a functional equivalent of a radio telephone communications line used in cellular telephone service or personal communication service, or a network radio access line.]

Money collected and deposited into the fund would be distributed as follows:

House Bill 5653 (5-29-98)

- 20 percent equally to each county that has a final 9-1-1 plan in place. The county would be required to distribute funds pursuant to section 401(12) [Note: the section number referenced does not currently exist within the act but refers to a section that would be renumbered by Senate Bill 1009. The section sets forth the means of distributing operational funds from the counties to the primary public safety answering points (PSAPs). Distribution could be done as provided in the final 9-1-1 service plan. If distribution was not provided for in the plan, then it could be done according to any agreement for distribution between the county and public agencies. If neither the plan nor any agreement provided for distribution, then it could be done in accordance with the distribution of access lines within the primary PSAPs.].

- Another 25 percent of the money would be distributed to those same counties on a per capita basis. Determination of the population of each county for the per capita basis would be made by the most recent census conducted by the United States Census Bureau. The Emergency Telephone Service Committee (ETSC) would be required to certify to the Department of Treasury annually those counties that had a final 9-1-1 plan in place.

- 5 percent would be available to the PSAPs for training personnel assigned to 9-1-1 centers. A request of money from the fund would be made to the Emergency Telephone Service Committee. The Michigan Law Enforcement Officers Training Council would be required to establish training programs and administer training with the money received.

- 50 percent of the money deposited into the fund would be used by mobile phone service suppliers to provide and install equipment that implements the wireless emergency service order.

If a county with a final 9-1-1 plan did not accept 9-1-1 calls through a direct dispatch method, relay method, or transfer method from a mobile phone user, the money collected would be distributed to the entity or county that is responsible for accepting and responding to those calls.

Subcommittee. The Emergency Telephone Service Committee would be required to appoint a subcommittee to review the expenditures authorized under the Emergency Telephone Service Act. The subcommittee would include the chair of the ETSC, and all of the following as members: 1) a person who represented a commercial mobile radio service provider; 2) two people who represented an entity that was not associated the service supplier industry; and 3) a person appointed by the chair of the ETSC who represented the commercial mobile radio service industry and was not a member of the ETSC.

The subcommittee would be required to review the invoices submitted by CMRS suppliers for reimbursement from the fund. Before the invoices were reviewed, staff assigned by the Department of State Police to assist the ETSC would remove all the information that identified the supplier who had submitted the invoice. The subcommittee would review the validity of the invoices and recommend payment of those that it approved. In order to be approved, an expense would have to be related to complying with the wireless emergency service order. An expense that exceeded 125 percent of the CMRS emergency telephone charges would not be approved, unless the CMRS supplier had prior approval of the charges from the subcommittee. Approval

of the invoices would be by majority vote of the subcommittee. The chair of the subcommittee would not vote except to break a tie.

Any information submitted by a supplier for review by the subcommittee would be exempt from the Freedom of Information Act and could not be released by the chair without the supplier's permission. Information submitted by suppliers could only be released in the aggregate so that the number of users or the expenses and revenues of a supplier could not be identified.

Expenses. The money from the fund could be used by a supplier for monthly recurring and start-up costs. These costs could include nonrecurring costs associated with installation, service, software, and hardware needed to comply with the wireless emergency services order. The nonrecurring costs would have to be amortized at the prime rate plus one percent over a period of up to three years until the amounts were fully recovered by the supplier.

If the total amount of money approved for payment by the subcommittee in the invoices exceeded the amount remaining in the fund, all the suppliers that had submitted invoices and were recommended to receive payment would receive a pro rata share of the money available in the fund for that quarter. Any unpaid balance would be carried over to the following quarter until all of the recommended payments were made. Interest at the prime rate would be credited to the supplier on any carry-over.

Report. The ETSC would be required to complete a cost study and report on the effectiveness of the service charge no later than August 31, 1999 and August 31 biennially after 1999. The report would have to indicate the extent of emergency telephone service implementation in this state by CMRS suppliers and the actual costs incurred by primary public safety answering points (PSAPs) and CMRS suppliers in complying with the requirements. The report would also have to include information regarding the adequacy of the service charge and, if needed, a recommendation to change the service charge amount if needed to adequately fund the costs of meeting the time frames in the wireless emergency service order. Copies of the study would have to be delivered to the Secretary of the Senate and the Clerk of the House of Representatives.

Effective date. The bill would take effect 120 days after it was enacted.

MCL 484.1201 et al.

Analyst: W. Flory

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.