

911 Network Public Safety Infrastructure Reauthorization

HB 5026, Rep. Julie Calley

House Communications and Technology Committee

History of NG 911

Origins of Michigan's 911 System:

When originally deployed in 1986, 911 was a service based upon landline telephones, with a traditional copper network utilizing 1960's technology capable of carrying voice and very limited data, such as the caller's landline address. This network was funded entirely by what was called a "technical" fee on landline customers, which the telephone companies collected and retained to cover their costs of the 911 service. The old network was retrofitted over the years to accommodate newer forms of communication, such as wireless and Voice over IP devices, but the core network and its inherent limitations remained unchanged and the ability to identify the location of wireless callers was marginal. The network no longer met the needs of communications in the 21st century.

About ten years ago, 911 professionals throughout the State began a migration to what is called Next Generation 911, or NG911, by contracting with a service provider, Peninsula Fiber Network, to provide an IP based fiber network to replace the legacy copper.

Fees are statutorily assessed to the users of the system based on their device. Those who use landlines or are contractual wireless customers, pay a flat \$0.25 fee. Those who use "pre-paid" non-contractual service pay 5% of the retail price at the original point of sale

Benefits of the Next Generation 911 system

1. Enhanced GPS location services for mobile phones (80% of calls placed to 911).
2. Messaging capability to 911 services for those unable to call, afraid to make noise, or with speech/hearing impairment.
3. Increase in bandwidth, speed, reliability, and redundancy that meet national guidelines.

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The Problems:

1. The 911 Act sunsets 12/31/21, without an extension, there will be no authorization for 911 to operate in Michigan.
2. While costs of the Network are on target with projections, revenues collected have fallen short of expectations. From "pre-paid" sources, revenues are 25% less than projected. (4-5 million dollars annually)
3. An audit is necessary, focusing especially on digital retailers, to learn why prepaid fees have not met anticipated revenues.

4. Currently, the fund that pays for the 911 network will be negative by the year 2023 if something isn't done.

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The bill will do the following:

- Act as budget implementation for a \$16 million one-time appropriation to the state 911 fund (SB 82) to make up a hole created by prepaid revenue coming in lower than expected. This appropriation allows the legislature to eliminate a fee increase in HB 5026 as introduced for postpaid (contract) phones and reduce the fee increase for prepaid to 1%.
- Increase the prepaid point of sale fee from 5% to 6% to ensure equity and to assure the network is paid for by user fees going forward.
- Include a review of prepaid fee revenue by Treasury to determine why revenue has been lower than expected.
- Include language to trigger a roll back in fees if revenue is higher than expected.
- Replace state Multi-Line Telephone System (MLTS) 911 requirements with new federal requirements.
- Provide for more timely payment of reimbursement of system costs to network providers.
- Extend the sunset from 12/31/21 to 12/31/2027.

Supporters of HB 5026

First Responders

Michigan Communications Directors Association
Michigan Sheriffs' Association
Michigan Professional Fire Fighter's Union
Michigan Fire Inspector's Society
Fraternal Order of Police
Michigan Association of Police Organizations
Western Wayne Police Chiefs
Wayne County Police Chiefs

Local Units of Government

Michigan Association of Counties
Michigan Municipal League
Michigan Townships Association
Conference of Western Wayne County
Downriver Community Conference

State Government Entities

State 911 Committee

Telecommunications Providers

Peninsula Fiber Network