

Transportation and Telecommunications Committee and Appropriations

Committee December 13, 2017 Room 1113

FRIESEN: [00:00:23] Welcome, everyone. This is a joint hearing between Appropriations and the Transportation and Telecommunications Committee, and this is in regard to the 911 Service System Plan that the Public Service Commission has put together for us. And we will officially open the hearing. First, I will say that Senator Hilgers and Senator Briese will not be here. Senator Murante was going to join us I think possibly, so he may come in late. On my left is Senator-- my committee clerk, she's not a senator yet, committee clerk, Elice Hubbert; and Tip O'Neill is the committee legal counsel. And we'll just start with Senator Watermeier and you can introduce yourselves.

WATERMEIER: [00:01:11] Dan Watermeier from Syracuse.

McDONNELL: [00:01:13] Mike McDonnell, LD5, south Omaha.

HILKEMANN: [00:01:16] Robert Hilkemann, District 4, west Omaha.

VARGAS: [00:01:19] Tony Vargas, District 7, downtown and south Omaha.

WISHART: [00:01:21] Senator Anna Wishart, District 27 in west Lincoln.

BOLZ: [00:01:25] Senator Kate Bolz. I represent District 29 in south-central Lincoln.

STINNER: [00:01:29] John Stinner. I represent the 48th District, Scotts Bluff County.

SMITH: [00:01:34] Jim Smith, District 14, Sarpy County.

HUGHES: [00:01:37] Dan Hughes, District 44, ten counties in southwest Nebraska.

GEIST: [00:01:42] Suzanne Geist, District 25, Lincoln, the east side.

BOSTELMAN: [00:01:46] Bruce Bostelman, District 23, Saunders, Butler, and most of Colfax County.

FRIESEN: [00:01:53] Senator Clements, you want to introduce yourself?

CLEMENTS: [00:01:56] Thank you. Rob Clements, Elmwood, Cass County, Sarpy County, District 2.

FRIESEN: [00:01:56] And then Senator Kuehn would also be on the Appropriations Committee. I'm Curt Friesen from District 34. I'd ask everyone to silence their cell phones and make sure there's no disturbances in the, in the audience. And with that, Public Service Commission will fill us in on their report.

DAVID SANKEY: [00:02:35] Senator Friesen and members of the Transportation and Telecommunications Committee, Senator Stinner and members of the Appropriations Committee, good morning. My name is David Sankey, S-a-n-k-e-y, and I am the state 911 director with the Public Service Commission. It's my pleasure this morning to have this opportunity to present to you the 911 Service System Plan, the plan that will take Nebraska to Next Generation 911. Hopefully, all of you have a red folder in front of you that will have the presentation in it. If you'd like to follow along as I go through it, that would be fantastic, and I'd be very excited to answer any questions you may have at the end. So turn to the first slide. The first question is: What is Next

Generation 911? What are we talking about? What we're talking about is transitioning Nebraska from the current "Legacy" telephone system that, that we've been utilizing for almost 50 years-- 911 has almost been around for 50 years-- to Next Generation 911, to an Internet protocol network that will allow our citizens to use their smartphones to transmit data to 911 centers and to emergency responders when they need it. There are two primary distinctions between the current system and the system we're talking about with Next Generation 911. The first is the creation of what is known as an ESInet, or Emergency Services Internet Protocol Network. The ESInet is the network that will allow for the transmission of the data-- text messages, videos, photos, and voice-- from the, from the citizen in need to the 911 center. The other distinction is the use of Geographic Information System, GIS. GIS maps will be utilized to help locate, pinpoint location of a caller in need. Those are the two primary differences between the current system and what we want, what we want to transition to. So back in 2016 the Legislature adopted LB938 and that created the 911 Service System Act. That act authorized the Nebraska Public Service Commission to be the statewide agency to, to do the following: to plan, implement, coordinate, manage, maintain, and provide funding assistance to the locally controlled and locally operated public service public safety answering points. So what are our responsibilities? As I mentioned, we are the statewide coordinating authority. There are approximately 70 public safety answering points across the state. They are locally controlled and locally operated. And this plan will allow the Public Service Commission to bring some statewide coordination and statewide support to their efforts. Our goal is to provide 911 service to all of our citizens and all of those individuals traveling through our state, no matter where they might be. Whether they're in Scottsbluff or whether they're in Omaha, we want them to have the same level of service when they need it. We need, we want to establish uniform technical standards. We want to establish uniform and consistent training standards, which currently there are none. And we want to coordinate and help develop the implementation of policy and procedures across the state. So we, we began doing this in 2016 and the Public Service Commission, with the state 911 department, reached out to Mission Critical Partners. They are a

nationally recognized public safety communication consultant group and they helped us with the development of this plan. Critical to the development of the plan were the subject matter experts that we refer to as stakeholders. You can see on this slide a list of the individuals from Nebraska that helped us develop this plan. They are folks that represent public safety agencies, public safety answering points, local government, state government, and the telecommunications industry. They were instrumental in helping us develop this plan. So in LB938 we had a pretty aggressive time line that we needed to meet. February 1st we provided an update to the Transportation of Telecommunications Company [sic] on the progress of our, of our plan. The LB938 also called for two public hearings to be held. The first one we had on July 20th this past summer. We received a lot of input from the public, made some corrections to the plan. We had a second public hearing on October 5th. That went very well. We received some additional feedback after that hearing. And then the plan was presented to the Public Service Commissioners on November 7th and they adopted the plan. As required in LB938, the plan was electronically submitted to the Legislature prior to December 1st, and today we're here with the opportunity to present the information to you. So the 911 Service System Plan is divided into eight separate sections. We're going to talk about the 911 system design, the governance, how we're going to run this, this system, geographic information system, GIS, as I already talked about, continuity of operations and disaster recovery planning, PSAP policy and procedures, training and education, how the FirstNet program will interact with Next Generation 911. And for those of you that aren't familiar with FirstNet, that is the First Responder Network Authority. It is a national program that has received federal funding to help build out a interoperable network for first responders across the country. Nebraska, as you, as you know, has opted into that. And then we'll talk about funding. So we talked about the 911 system design. As I mentioned, we're talking about, about developing a statewide ESInet, Emergency Services Internet Protocol Network, and what we're proposing is a hybrid system. We're talking about designing a statewide ring that will connect to regions that are connected through regional IP networks. We're talking about a system that has at least 10 gigabyte of fiberoptic capabilities, so a

high-speed network, that's redundant. And when I say redundant I mean has the ability to transfer calls from one PSAP to another. If one PSAP needs to shut down for some reason, another PSAP could take their calls, and a system that's resilient, which means it has at least five nines capability of remaining up and running if not better, because we want those, we want our citizens to be able to reach 911 when they need it all the time. And so what we're proposing is issuing an RFP for a vendor-hosted solution that would provide this ESInet across our state. I'd like to talk to you a little bit about regionalization. What's regionalization is the concept of interconnecting our public safety answering points to one another through an IP network. This allows for the sharing of resources and the sharing of equipment. What, what's occurring in our state is our PSAPs are beginning to regionalize. So you'd take the expensive call handling equipment and you put in two centers in a region. One is the primary; one is the backup. We call them the host centers. And then the other centers connect to those two sharing that call handling equipment and saving money and sharing resources. This is different than consolidation. Consolidation is talking about one or more public safety answering points closing their doors and merging their personnel and all of their equipment into one center. This is a way for the locally controlled, locally operated PSAPs to continue to operate as long as they want to and still share resources and save money and not have to shut their doors unless they choose to want to do that. So on the next page is a map of Nebraska and what's occurring in our state. And you can see by the colors that there are already public safety answering points that have regionalized. In the southeast corner we call that the Southeast Region. Out in south-central, those folks have all regionalized. Those folks are already interconnected by a regional IP network. We are working with the other PSAPs across the state to help them become part of a region, PSAPs reaching out to their neighbors saying, I want to partner with you; I want you to have the ability to take my calls if for some reason we can't take the calls in our center anymore. So regionalization is occurring across our state. And what we're looking at is building out about eight to ten regions when it's all said and done. So if you look at the next page, this is a technical diagram that's in the plan, in the 911 Service Plan, that shows you what, what the regional system would

look like, what a statewide ESInet would look like, and how it would interconnect the regions together. For those of us that may not be so technical, on the next page we have a less technical diagram that maybe helps you conceptualize what that might look like. But basically, what we're talking about is an ESInet that, that provides a ring around the state that interconnects eight to ten regions. And when I say that it means there's two connections to the ESInet for each region. And that is significant because in the end we're talking about 20 total connections. We're not talking about connecting 70 PSAPs to the ESInet. That's a significant cost savings, which I can show to you later on in the presentation. So we talk about governance and how we're going to govern the system. We are proposing the implementation of the 911 Service System Advisory Committee. This would be a working group made up of a lot of the subject matter experts that we talked about earlier that would help us make recommendations on the best way to run the system. It would also allow for the use of technical subcommittees to be developed for technical operations, operations, training and education, disaster recovery, COOP planning, and FirstNet integration. So what we would be relying on is a lot of the users and the subject matter experts to provide recommendations to the, to the Public Service Commission on, on the best practices for running the 911 system. On the next page you'll see an org. chart that we've developed on what that committee might look like. Under operations, we would ask that an individual that represents law enforcement, fire, EMS, and emergency management sit on the committee. We would also ask that two county officials or employees of counties sit on the committee; two municipal officials or employees of those counties or cities on the committee; two telecommunications representatives; two PSAP managers, one that's managed by a sheriff and one that is not employed by a sheriff. Currently sheriffs manage about, I would say, about two thirds of the PSAPs in our state. So we would have one from each, and then we would have a representative from NACO and a representative from the League of Municipalities sitting on our committee. We think it's a good cross-section of folks across our state. In addition, we would have two ex officio positions. One would be the state 911 director, the position I currently hold, and a representative of the Chief Information Officer's. As you know, the FirstNet program is

being operated under the CIO's Office and so it would be very important to have a representative from FirstNet sitting on our committee. As I mentioned, the process for making those recommendations is, is they would have subcommittees that would make recommendations, for example, on training and education, and what the minimum standards should look like; what a state certification program should look like. It would make those recommendations to the Public Service Commission. Those recommendations that would be adopted by our commissioners would then be translated to the 911 staff to make sure that they were implemented and carried out. Geographic Information System: So this is a significant difference in how calls are current, callers are currently located to how callers will be located. And what we're talking about is the use of GIS maps. Boundaries would be created. You can see on the slide that there are several important boundaries that need to be created within the GIS maps: the street center line, which provides the address range of a street; a PSAP boundary, which would identify what area that PSAP controls; what the emergency services boundaries are. Those include the law enforcement districts, the fire districts, those type of things. And then address point layers, which actually give you an address for a structure. We are in the process of improving the GIS data in our state. We have a GIS specialist on our staff. She is plugged in with the GIO's Office and works on a daily basis with, with the folks at the CIO's Office on developing and aggregating our statewide data for GIS. It's imperative that that data be absolutely accurate since that's how callers are going to be located in the future. Quality assurance and quality control are primary as they work to develop that. On the next page is a slide that shows you what a GIS map would look like. This is from a Nebraska area. You can see those areas that are shaded in pink. Those are gaps and slivers, and there are some overlaps. Those all need to be corrected, because if a caller is in one of those areas then we're not going to be able to locate them using GIS mapping. So all of that needs to be corrected and we are in the process of, of working on that right now. The call flow then in the Next Generation 911 environment using GIS maps would be on the next slide. The caller makes the phone call. Their location information is transmitted into the ESInet, into the Next Generation 911 system. Through the use of location

validation functions and emergency call routing functions, the caller's location would be identified, and the call would be routed to the appropriate PSAPs using GIS maps. That call, once, once sent to the appropriate PSAP, would then be answered by the call taker. And as the call taker answers the phone, they also have the location information of the caller in need. COOP and disaster recovery planning, that's critically important. As we, as we all know, anytime you get involved with an Internet protocol network the opportunity for hackers increases. Cybersecurity is obviously a primary concern. That would be a responsibility of the vendor that we would contract with to ensure that the system is secure. We also would look at physical security, building standards, those types of things to help our PSAPs develop COOP plans and disaster recovery plans. Policy and procedures: Currently some of the, some of the PSAPs have policies and procedures in place on how they would handle matters. We want to provide some statewide consistency, help them develop policies and procedures that they would adopt to ensure that things are done the same way in centers across our state. Training and education I mentioned earlier. Currently there are no training standards. The folks that answer 911 calls, that respond to folks in their time of need, there are no training standards for those folks. There are for law enforcement officers, as you're aware of. There are for EMTs and firefighters, but there's not for call takers. There is broad support in the PSAP community for minimum training standards to be established and we would work hard to make sure that happens. We also want to establish a certification program so that all call takers are state certified. So those are things that we would look at and work with the Service System Advisory Committee on. Okay, I mentioned FirstNet. FirstNet is the First Responder Network Authority that is being developed in our state. Nebraska has opted into that program. Basically, with the FirstNet program what we're talking about is Nebraska would be part of the system that has contracted with AT&T to develop a network to interopt, to have interoperability with our first responders. And what we're talking about is the information from the 911 center to the first responders, and allowing the first responders to have the ability to talk to one another. That's different than Next Generation 911. So what, what we're proposing is Next Generation 911 is the caller, the citizen in need that uses

their cell phone to call for help, has the ability to use the ESInet, the Next Generation 911 environment, to call the 911 center. Then FirstNet will allow for that information to be transmitted out to the first responders. It's very important that these two systems work together as they're both being developed currently. And that is why I sit on the first responder working group and that, that is why we would like a representative from the CIO's Office that works with FirstNet to sit on our Service System Advisory Committee. They're very important that we work together. If you turn to the next slide, there is a diagram there that may help you visualize what this would look like. And on the left you see there are a variety of situations that occur that citizens may need 911 services for. And let's just say, let's just use a stolen car scenario. So, Senators, after a hard day here at the Legislature, you're on your way home and you stop at the Kwik Shop and you go in to grab something, and on your way out you see your car leaving and somebody else is driving it. So you have the quick, quick foresight to grab your phone, take a picture of that, and send that to 911 through the Next Generation 911 system. Then, then you can see in, in Diagram 2 there, then the 911 center would be able to send that information out to the law enforcement officers in the area, making them aware of the situation, sending that photo of what the car and perhaps the driver looks like through the FirstNet system out to the law enforcement officers, and then hopefully giving a much better chance of your car being recovered and returned to you. So that's how the two systems would work together. OK, so cost estimates: Mission Critical Partners helped put together a Rough Order of Magnitude Costs from their experiences that they've had with other states implementing Next Generation 911 across the country. There are four key areas that we're talking about funding with wireless funds. That is the network itself, the Next Generation core services. And when I talk about Next Generation core services I'm talking about those GIS elements that are utilized to help locate callers; the text to 901 recurring fees. In the interim, since currently the 911 system only has the ability to make, for a citizen to make a phone call to 911, the Public Service Commission has been working to try and develop an interim text to 911 solution across the state. We have been able to have eight PSAPs up and running and receiving text to 911 calls, and we're working on trying to

get, trying to get about 35 others up and running in the interim. So there has been wireless funds dedicated towards that. So those costs have also been figured into the total. And then what the estimated annual call handling equipment would be, and so what we're proposing is the use of wireless funds to upgrade the equipment in the public safety answering points every five years. The Rough Order of Magnitude Costs are very conservative. And we believe, once RFPs are issued for actual costs, that they will come in significantly lower. On the next page, it will show you an estimate, breakdown of what those estimate costs may be. Model 1 is if we would connect all of the PSAPs in our state to the ESInet. Model 2 is that regional approach that we've talked about where we connect ten regions to the ESInet. And you can see the significant differences in costs. The network costs would be less than half of what they would be if we connected all of the PSAPs. And Next Generation core services, that's based on population so that stays pretty consistent at \$3.7 million. The text to 911 recurring fees we have at a million dollars, but that's very high and we're working to try to deploy an interim solution that is much less expensive and wouldn't get us to that million-dollar mark for sure. And then the call handling equipment, and again you can see we're buying less equipment; we, we're sharing resources. So it's significantly less than it would be if we were to connect all the PSAPs across our state. So funding considerations: Well, first of all, your instructions were don't consider General Funds at all, so we, we have not. There are four surcharge funds that are available for use for 911. The first is the postpaid wireless fund. That's 45 cents that all of us pay on our wireless bill each month. That money is remitted to the Public Service Commission to operate the E-911 wireless system. Then we have prepaid wireless funds which is 1 percent of the total purchase price of a prepaid wireless phone. That is also remitted to the Public Service Commission and is, and is entered into the fund. Then there are wireline surcharge funds that are applied to all telephone lines across the state, and those, those funds go to local the authorities and those are used by the local PSAPs. That surcharge rate is anywhere from 50 cents to a dollar, and a dollar would be the max. Most of the jurisdictions are at a dollar. And then there's Voice over Internet Protocol. That's remitted to local governments as well, and that is the same as

the wireline rates. What we've considered for the 911 Service System Plan is the use of wireless funds only. Those funds that are remitted to the Public Service Commission would allow us to begin transitioning to Next Generation 911. We're not talking about utilizing the wireline or the VoIP dollars at this, at this particular time. And just to note, state law does cap Douglas County at 50 cents for all of those surcharge funds. In addition to that, the federal government is prepared to release, in the spring of 2018, they have \$115 million that they're prepared to release in federal grants. We want to be in a position that we're demonstrating that Nebraska has moved forward with Next Generation 911 and we hope to apply for those funds and receive some to help us with the rollout of Next Generation 911. On the next slide you'll see a picture of the country with states in various shades of green. It kind of shows you where Nebraska is at compared to other states in the development of Next Generation 911. You can see that our neighbors in Iowa have an IP network already established. So does South Dakota. So does North Dakota, Minnesota, and Kansas has established one now but Kansas doesn't have all of their PSAPs connected to it yet. Kansas is looking at connecting 117 PSAPs to their ESInet. Iowa has connected 114 PSAPs to their ESInet. We're talking about, about 20 connections for eight to ten regions to an ESInet. Just a side note, the administrator, my counterpart in Kansas, looked at me and said, we wish we would have done what you're proposing in Nebraska. So just, and just additional here, if we talk about surcharge rates, our surcharge rate is currently at 45 cents. Iowa is charging about a dollar. Kansas went to 60 cents for a while and then they went back to 53 cents. South Dakota is at \$1.25. North Dakota is at \$1.50 to \$2. And Minnesota is at 95 cents. So our surcharge remains one of the lowest surcharge rates in the country. And we are, we are proposing implementing this Next Generation 911 plan without an increase in the wireless surcharge rate. Over the years, the Public Service Commission and the E-911 Advisory Board and other folks have, have made some very wise decisions and have very, been very prudent with those wireless dollars and so that has allowed for a reserve to be built up in the fund. And we believe we can use that reserve amount to begin the implementation of Next Generation 911 without an increase in the wireless surcharge rate. So we feel very comfortable with

that. So in summary, I'd just like to say this, Senators. Our citizens use their mobile phones on a daily basis to communicate with one another in a variety of different ways. Almost 80 percent of the calls that our public safety answering points received are from wireless calls these days. We live in a mobile society. Our citizens do not remain in one county anymore. They travel around. And we want them to have the ability to call 911 and have somebody answer their emergency, wherever they may be in Nebraska. So I thank you for your time and I'd be happy to answer any questions you folks may have.

FRIESEN: [00:53:19] Thank you, Mr. Sankey. Questions from the committee? Senator Hilkemann.

HILKEMANN: [00:53:20] Yeah, I have. You have on one of your pages here, you have it here, we have several gaps in coverage.

DAVID SANKEY: [00:53:23] In the GIS map, sir?

HILKEMANN: [00:53:23] Yes.

DAVID SANKEY: [00:53:24] Yes.

HILKEMANN: [00:53:24] Yeah. Are those the only two areas in the state that are not covered?

DAVID SANKEY: [00:53:26] Oh, no, sir. That's just a small example--

HILKEMANN: [00:53:28] Okay.

DAVID SANKEY: [00:53:28] -- of a small area. There are, there are, there's a lot of work to be done. There are a lot of gaps that exist like that. There are a lot of overlaps that currently exist like that. What's happened is over the years for 911 data, public safety answering points have, have contracted with several vendors to help prepare just their data. So they've had just the data perhaps for their county and then maybe the data for the surrounding county and, and that's what they've been utilizing. What we're working on at the Public Service Commission is to bring all of that together and aggregate all of the data across the state, make sure those roads match up as you go from one county to another county, make sure those roads match up if you go from one state to another state, and the boundaries match up. And then we also need to create those PSAP boundaries so when that caller calls the system knows to route it to the appropriate PSAP.

HILKEMANN: [00:54:12] Okay. I'm, I'm, the one map here, that that's the section down I-80, is that correct, that's basically from, between Omaha and Lincoln?

DAVID SANKEY: [00:54:16] This on this map?

HILKEMANN: [00:54:17] Yeah.

DAVID SANKEY: [00:54:17] I believe it's the border between Hamilton and, let me see if I can read that, Hamilton and Polk County, and I believe that's the Platte River just to the north. So you know it would be just south of the Platte River on the border between Hamilton and Polk County.

HILKEMANN: [00:54:27] Okay.

DAVID SANKEY: [00:54:27] That's, that's just for this little snapshot.

HILKEMANN: [00:54:28] Is, now you said that we, that we have one of the lowest rates in the country for the 911, is, or the funding.

DAVID SANKEY: [00:54:32] Yes, the surcharge. The wireless surcharge rate is one of the lowest rates in the country.

HILKEMANN: [00:54:34] Is that part of the reason why we have these gaps?

DAVID SANKEY: [00:54:37] No. Part of the reason we have these gaps is because, because individual PSAPs contracted with vendors to do just their data. And, and so there are a variety of vendors that were used. And, and what they were focused on was just their area. Well, what we're talking about now is bringing that together on a statewide basis. So because the focus from the GIS folks before was we just worked on this area, we didn't really worry about this area over here, now we are. So we want to make sure those areas match up and there's no gaps in-between the boundaries and that they don't overlap. So when a caller calls and they're located, we can send them to the right PSAP now.

HILKEMANN: [00:55:09] Okay. Thank you.

DAVID SANKEY: [00:55:09] You bet.

FRIESEN: [00:55:09] Thank you, Senator Hilkemann. Senator Stinner.

STINNER: [00:55:10] Do you have a number on what it cost on average for the 70 PSAPs to, I mean how much the counties and whoever, whatever that body is, how much they're paying for those?

DAVID SANKEY: [00:55:18] What their total costs are to run a PSAP? Is that what you're asking?

STINNER: [00:55:21] Well, the average cost across the state. And what I'm trying to get at is we have this cost that we're bearing already at the county levels.

DAVID SANKEY: [00:55:27] Uh-huh.

STINNER: [00:55:27] As you consolidate, you eliminate people, you eliminate some of those costs. Kind of like to have some idea through, through that process what the savings looks like.

DAVID SANKEY: [00:55:36] Yeah. I don't have a figure for you on, on an average of what it costs to run the PSAPs across the state. I can tell you, in talking to PSAP directors, the wireless funds cover about 10 percent of their costs, the wireline funds cost about 10 percent of their costs, and the remainder of their costs come from general funds, from local general funds. What we're proposing with the plan is that, is that wireless funds would, would pay for the system, for the Next Generation 911 system. Those costs that the, that the local PSAPs would bear to pay for personnel and other costs, those will be, would be borne by them--

STINNER: [00:56:02] But wouldn't--

DAVID SANKEY: [00:56:02] -- out of other funds.

STINNER: [00:56:02] -- but wouldn't that go away? If, for an example, Scottsbluff has one and they're paying \$250,000 right now in personnel cost, equipment, etcetera. It goes away because of the consolidation. Wouldn't there be a savings at the local level?

DAVID SANKEY: [00:56:09] I think experience around the country has shown that you don't necessarily save a lot of costs at first. Perhaps after several years you can start realizing those costs. But what you end up doing is those centers that stay open and the other centers are consolidated into, you generally have to increase the personnel in those centers to handle the increased calls that they may get. So eventually you may save costs in operating the building or having the, you know, electrical needs and all those kind of things that you would have, but for a short period of time you would still, you wouldn't see any cost savings because you still need the people to be able to answer those same level of calls.

FRIESEN: [00:56:45] Thank you, Senator Stinner. Senator Smith.

SMITH: [00:56:45] Thank you, Mr., Mr. Chairman. But one of the benefits, again in time, there would be a consolidation of, consolidation and gains in efficiencies and reduction in cost but also just to be able to have access to work force. That's, that's going to be one of the benefits of this system, right?

DAVID SANKEY: [00:56:58] Yeah, absolutely.

SMITH: [00:56:59] Can you speak to that for a moment?

DAVID SANKEY: [00:56:59] The benefit of, the benefit of the plan that we're proposing and allowing for regionalization instead of consolidation allows for the local PSAPs to make that decision on their own. Whether they say, we no longer want to run a PSAP, we think our neighbors could do a great job, we'll have them take our calls and we'll have them dispatch our first responders to our needs and we think that will work out great, they get to make that decision at the local level

on how they want to save money. Regionalization allows that to happen. I think, I think if we proposed a forced consolidation I think we would receive some pushback from the locals and not allow them to make that decision.

SMITH: [00:57:32] And then again this provides them a resource that they may not have had access to before. Just any, elsewhere in our state work force is, is an issue, will be a greater issue in the future. And this is such a critical function. This provides the trained qualified access to people that we need for this critical function.

DAVID SANKEY: [00:57:47] Yes, Senator. Yes.

FRIESEN: [00:57:47] Thank you, Senator Smith. Senator Geist.

GEIST: [00:57:47] I have a question about coverage. Does this do anything to expand the ability of, for someone that right now may not have cell coverage to reach 911?

DAVID SANKEY: [00:57:57] Coverage will continue to be something we'll need to work with wireless service providers on. So currently if a person does not have the ability to reach a cellular tower and get their signal into the system then this system would not allow for that.

GEIST: [00:58:11] Okay.

DAVID SANKEY: [00:58:11] This is an improved system to, to allow folks to transmit additional data, not just voice, to the 911 center and to locate them more accurately. If they don't have service now, we'll just have to continue to work with wireless service providers to get that service to them.

GEIST: [00:58:22] Thank you.

FRIESEN: [00:58:22] Thank you, Senator Geist. Senator Hughes.

HUGHES: [00:58:23] Thank you, Chairman. Thank you, Mr. Sankey, for coming today. You indicated that there was enough, you felt there was enough funds in the service or the service charge fee account now to implement this system.

DAVID SANKEY: [00:58:30] Yes.

HUGHES: [00:58:30] And, but there's \$115 million in federal grants. If you were successful in getting any of those, those dollars, would that just supplement the balance or is there a place where you can increase the pace of implementation or where would, where would those extra dollars go? How would you use those extra dollars?

DAVID SANKEY: [00:58:41] Yes. So what we envision is a phased-in approach. So we would, we would maintain supporting the currently current PSAPs that are on the "Legacy" system as we transition. And our plan is to transition PSAPs by region. So we would take a region and we would transition them to Next Generation 911. Those costs would start to come out of the reserve in the 911 fund. And then if we were successful with getting federal grants, that would allow us to continue to do, to transition PSAPs on to the Next Generation 911 and it would allow us to do that for a longer period of time before we would have to consider an increase in the surcharge.

HUGHES: [00:59:14] OK. Thank you.

FRIESEN: [00:59:14] Thank you, Senator Hughes. Senator Vargas.

VARGAS: [00:59:14] Thank you very much, Chairman. The governance structure, can you tell me a little bit more around, because one of the recommendations legislatively is that the governance, the advisory committee would be able to be appointed by the commission. How are they currently selected and what are the terms of the individuals on the advisory committee or are there terms?

DAVID SANKEY: [00:59:26] Yes. So currently on the E-911 Advisory Board there are terms, three-year terms, that individuals have, and those positions are appointed by the Governor. We're proposing that the 911 Service System Committee, which would be a much larger committee, would have terms, perhaps two-year terms, and those individuals would be appointed by the commission.

VARGAS: [00:59:43] And I guess this is along similar lines on Senator Hughes's question about, if we currently, with the, with our reserves, we have enough funding to cover the implementation of either model one or two, at what point in some of this long-term planning do you envision a need to then increase surcharges potentially? Because I know one of the recommendations is that we would increase the range somewhere up to, upwards to \$1.25, which is consistent with where South Dakota is right now.

DAVID SANKEY: [01:00:01] Right.

VARGAS: [01:00:02] Yeah.

DAVID SANKEY: [01:00:02] Right. So we are proposing that a range be established from 45 cents up to \$1.25. We do believe, and we're working on a new funding model currently, and we do believe if we began, if, if we, if we got the authority from you folks to begin implementation, say,

July 1st of 2018 and we began the process of putting our Service System Advisory Committee together and putting RFPs out for bid, then we would look at implementation in early 2019. And we would anticipate that the, the reserve fund, and hopefully the federal funds that we would receive, would allow us to continue to operate for a couple of years before the need would be for the commissioners to consider an increase in the wireless surcharge fund.

VARGAS: [01:00:39] Is it, is it typical for, let's say for like Iowa, I think it's a dollar, and for South Dakota, that they introduce legislation to expand that range? Or was there another process with which they went down that route?

DAVID SANKEY: [01:00:47] Yeah, I can't speak to how those other states identified the surcharge that they charge, but we think it's, we think it's a good practice to allow for a range to be established, much like Kansas. When they implemented their Next Generation 911 system, they went to 60 cents for a while. And then they identified that they no longer needed to charge 60 cents anymore so then they, they reverted back to 53 cents. And that's what their current surcharge rate is. We would envision something similar to that down the road if the need arose to raise the wireless surcharge rate to something, something more than 45 cents. Once, once we're no longer supporting PSAPs on the "Legacy" system and everybody has transitioned to the Next Generation 911 system, there may be the opportunity to, to reduce that rate back down to 45 cents or whatever it may be at the time. But this allows the commissioners to be able to make that decision at the time based upon the fund.

VARGAS: [01:01:34] OK. And just, last question. For the RFP, I know this is probably in there and just asking you this because it's on my mind. What's the time line for, for getting bids?

DAVID SANKEY: [01:01:40] Yes. So, so we would hope that we would have authority to begin

implementation July 1st of next year and we would like to be in a position where we start releasing those RFPs. RFP process takes three, four, five months. And then we would hope that we would have, be able to enter into contracts with vendors beginning in early 2019.

VARGAS: [01:01:58] Thank you very much.

DAVID SANKEY: [01:01:58] Yes, sir.

FRIESEN: [01:01:58] Thank you, Senator Vargas. Senator Clements.

CLEMENTS: [01:02:00] Hello. Thank you, Director. You're talking about this being connected with fiber. Is there enough existing fiber to connect all these regions or do you need to build out some more?

DAVID SANKEY: [01:02:08] There is, there is a good amount of fiber currently in our state, Senator. Now when we're talking about, you know, that's something we would have to work with the vendors on to identify is there a need for additional fiber to connect the various P, the various regions. That's something we'll have to take a look at. But there is a good amount of fiber available right now.

CLEMENTS: [01:02:25] And do you think is it going to be your expense to do that or you're going to ask the vendor to do that?

DAVID SANKEY: [01:02:29] That would be, that would be part of our RFP process and our contract with them to identify what costs are going to be borne by which entity.

CLEMENTS: [01:02:37] Thank you.

DAVID SANKEY: [01:02:37] Uh-huh.

FRIESEN: [01:02:37] Thank you, Senator Clements. Senator Wishart.

WISHART: [01:02:38] Thank you, Chairman. And thank you for being here today. Can you talk a little bit more about the plans for protecting people's privacy with this system and then also how we prevent hacking. Have you seen in other states where they have developed these systems that there have been issues?

DAVID SANKEY: [01:02:53] To, to my knowledge there hasn't been any, there haven't been significant issues yet. But when we talk about operating in an Internet environment and allowing folks outside of the current system to have access to your system, there's always an opportunity for hackers, for malicious intent. In the planning process across the country, cybersecurity is a primary concern. And it would be a primary concern for us as well. And so moving forward with a vendor-hosted solution for our ESInet, those security requirements would fall upon them to make sure that the system is as secure as possible.

WISHART: [01:03:24] OK. Thank you.

FRIESEN: [01:03:24] Thank you, Senator Wishart. Any other questions from the committee?
Senator Watermeier.

WATERMEIER: [01:03:25] Thank you, Chairman Friesen. Director, thank you. Thanks for being here. I appreciate your summary. Really I brought the executive summary and a dozen points in

there I have concerns about. Four of them was the regionalization. I think I'm over that. I think that looks good to me. The governance issue that Senator Vargas brought up, 2 points for, out of the 12, really the GIS specialist and how you had talked about that. And I appreciate the fact that you're reaching out to the CIO and carrying over that expertise which may be over there. Also brings in to the, the final point. Maybe you ought to just explain a little bit more on the request for proposal on a vendor solution, what that really means. And I guess what I'm concerned about as a legislator is a noncode agency interacting with code agencies and where the expertise is at and to make sure that we're not duplicating something. You know, what assurances are you giving me that this is really critical this takes off and hits the ground running in the next year, so?

DAVID SANKEY: [01:03:57] Yes, sir.

WATERMEIER: [01:03:57] That's the part that I worry about, the implementation of this.

DAVID SANKEY: [01:03:58] Yes, sir. So in the development of our RFP process, I would envision that we would work with State Purchasing to ensure that we're doing it properly and that we're not overlapping with other agencies and making sure that, you know, we don't have those issues arise.

WATERMEIER: [01:04:11] But in the big picture, though, of the implementation, it seems to me like it, it's always a meshing process between code and noncode agencies when these things happen. And appreciate it sounds like you're taking the steps. But I'll just be curious to watch and see how it actually unfolds, because it is, it is critical.

DAVID SANKEY: [01:04:19] Yes, sir.

WATERMEIER: [01:04:19] OK.

FRIESEN: [01:04:19] Thank you, Senator Watermeier. Senator Bostelman.

BOSTELMAN: [01:04:20] Thank you, Chairman Friesen. Thank you, Director, for being here today. A couple of questions: Could you tell me on the surcharge funds that you're showing here, that must be taking money from some other program or something else. What's that taking money from?

DAVID SANKEY: [01:04:28] The wireless surcharge funds?

BOSTELMAN: [01:04:30] Uh-huh.

DAVID SANKEY: [01:04:30] OK. So they, the 45 cents that each one of us is charged on our bill each month gets remitted to the Public Service Commission, has since about 2002, I believe. And that money has been used to support E-911 across our state. And that's exclusively what that money has been used for. It's been used for no other purpose. What we're proposing is that we would continue to support the PSAPs that remain on the "Legacy" system with those funds. In addition, we would be able to use the reserve funds that have been built up over the years to help us implement Next Generation 911. So that, those surcharge funds have only been used to support public safety answering points in the 911 system over the years, and we would continue to only use it for that purpose.

BOSTELMAN: [01:05:07] And that goes for the wireline, the prepaid wireless, the VoIP, the--

DAVID SANKEY: [01:05:09] So the, the, the postpaid wireless and the prepaid wireless are

remitted to the Public Service Commission and go to the wireless fund, which we use to help support wireless 911 across the state. The wireline and the, and the Voice over Internet Protocol, those funds go to the local governments and they use them to support their PSAPs for other purposes.

BOSTELMAN: [01:05:25] Okay. The next question I have deals with coverage, and dead spots specifically, because a lot of times you hear that there's wireless coverage in an area when, in fact, I can walk there, in fact I can tell you in certain towns in my district, in the towns alone, there's big dead spots in that community. And that's not going outside of the towns or the cities into the rural area. When I'm riding in a car going between Lincoln and my house talking on the phone I drop calls. So there's a lot of places out there that have dead spots existing. So my question would be, going out and asking the vendors or the coverage areas already where your dead spots, is there going to be some type of a process where people could call in and say, hey, I live at XYZ address and I have no cell coverage and I'm not going to be covered by this 911 service because I don't, so you can identify additional places where, and maybe the wireless company thinks they have coverage but in fact they don't? Is there a process for people to do that?

DAVID SANKEY: [01:06:16] Well, I don't know if I would call it a process but we do regularly hear from folks that say that they have coverage issues in a certain area. And those are known coverage issues. And we, what we try and do is we try and work with the wireless service providers. We make them aware of it and we, we encourage them to take the necessary steps to improve coverage. But ultimately, it comes down to a business decision by the wireless service providers to provide coverage in that particular area.

BOSTELMAN: [01:06:45] So then are we failing the public by not having coverage in those areas, since we're going wireless and not requiring that they may have those coverages?

DAVID SANKEY: [01:06:53] Well, I don't know that we can say we're failing the public. I think that, I think that the public safety community has been working with the industry over the years to help improve wireless coverage across our state. And so we constantly have those discussions and we are constantly reminding them of the areas that we have poor coverage in. And I can tell you, from, you know, my own personal experience, that areas that I used to have problems making a phone call in I now don't have those problems because the carrier has put up a new tower somewhere or, or they have taken other steps to increase coverage. But ultimately, all we can do that I'm aware of right now is to make them aware of the coverage area problems and work with them to try and improve coverage in that area.

BOSTELMAN: [01:07:34] You talked about FirstNet and, and nine, E-91, this kind of coming together, working together. My understanding, there's going to be, as what Senator Stinner was kind of talking about, there's costs associated with this. My understanding with FirstNet, that there's a buy-in; you have to pay for the service. So there must be some increased costs that's going to come to the county, to the city, to our rural fire departments, to sheriffs' departments, those type of things. Do you know what those might be?

DAVID SANKEY: [01:07:49] I don't for FirstNet. I can't, I can't speak accurately about that. Perhaps the FirstNet representative from the CIO's Office could. But what they're talking about is back in 2012 Congress allocated \$7 billion to build out the FirstNet system and that was to build a system all across the country. And then states had the opportunity whether they were going to opt into the system and allow FirstNet to come in and build their network or if states opted out and built their own network. Nebraska has, has decided to opt in, so that means FirstNet is going to come in and, and build the network in Nebraska. What, what's going to happen then is users, law enforcement agencies, fire departments, those folks, are going to be charged a cost per device to use

the system, whatever that may be. That's different than what we're talking about with Next Generation 911. Next Generation 911, we're talking about the 45-cent wireless surcharge fee that, that our citizens are already paying to go into the fund, and we would use that money to support the system.

BOSTELMAN: [01:08:39] OK. Thank you.

DAVID SANKEY: [01:08:39] Yeah.

FRIESEN: [01:08:39] Thank you, Senator Bostelman. Senator Vargas.

VARGAS: [01:08:40] Thank you very much, Chairman. In the report-- this is along the same questioning on surcharges-- it was interesting to see this, during the review of data that CP evaluated, the surcharges reported in 2016 and found inconsistent fee collection throughout the state. Can you talk to me more about the inconsistent fee collection?

DAVID SANKEY: [01:08:50] Yes. So, so what they're referring to is, well, for example, the wireline fee. That, that fee is set by local governments. That can be anywhere from 50 cents to a dollar. As I mentioned, most jurisdictions it's at a dollar. Some jurisdictions only charge 75 cents, some charge 80, some charge 50. Their, their, state law prohibits Douglas County specifically from being raised above 50 cents for wireless or wireline surcharge. Now it's not an issue with wireless because the commission sets that fee and that is consistent across the state. It's 45 cents. The Douglas County cap doesn't come into effect because it's under that cap currently. If the wireless surcharge rate were, were to go above 50 cents down the road in a few years, then that would be an issue that Douglas County citizens wouldn't be paying the same rate that the rest of the state would be.

VARGAS: [01:09:36] Does the, I know there are a couple studies you referenced here on sort of the uniformity and on the surcharge across the state for equity. Is it providing any recommendations on whether or not it should be more uniform or should be more equitable because they're applying, increasing the charge across the state? Obviously, that's not, I mean there's different costs of living across the state. This is implementing the same potential cost in terms of surcharge. I'm just curious on what recommendations they propose.

DAVID SANKEY: [01:09:57] Well, our recommendation in the plan is that we can begin implementation of this Next Generation 911 system without an increase in wireless surcharge. And we believe we can go for a couple of years supporting both systems without an increase. We do believe, and the plan states, that it would be, it would be helpful if that rate could be consistent across the state and that all citizens would pay the same rate no matter where they live. Because our, our intent here is we see the wireless surcharge rates as a state resource and we're providing statewide service to our citizens and to those that visit our state. And like I mentioned earlier, no matter where you're at you, and you need 911 service, you want, you're not, you want someone to answer your phone when you're calling 911. So we want that. We want people to have that service no matter where they're at.

VARGAS: [01:10:42] And the reason why I ask is when I was reading it and an inconsistent collection, I thought you were, it was more alluding to that we were not collecting these surcharges either from wireless or wireline carriers and that there's something on the back end in sort of Department of Revenue for going back and making sure we're collecting them. But they're required by law to give them, pass them over to Department of Revenue, right?

DAVID SANKEY: [01:10:59] They are. And, and we do audit that.

VARGAS: [01:11:01] OK.

DAVID SANKEY: [01:11:01] So we're, we're ensuring that those funds are collected.

VARGAS: [01:11:02] Thank you very much.

DAVID SANKEY: [01:11:03] Yes, sir.

FRIESEN: [01:11:03] Thank you, Senator Vargas. Senator Wishart.

WISHART: [01:11:03] I just wanted to clarify, if I had an emergency and needed to call from my home phone, I would still be able to do that.

DAVID SANKEY: [01:11:09] Yes, absolutely.

WISHART: [01:11:10] OK. And then the other question is who is ultimately responsible if there is a cybersecurity breach? Who would be responsible for, for maybe the monetary issues related to that?

DAVID SANKEY: [01:11:18] The vendor that we contract--

WISHART: [01:11:20] OK.

DAVID SANKEY: [01:11:20] -- with will be responsible for, for providing cybersecurity for the ESInet.

WISHART: [01:11:23] OK.

DAVID SANKEY: [01:11:23] And, and ultimately they would be responsible. And I would expect that in our contract with them that there would be a provision that addresses that.

WISHART: [01:11:30] OK. Thank you.

FRIESEN: [01:11:30] Thank you, Senator Wishart. Senator Smith.

SMITH: [01:11:31] The director answered my questions for me. Thank you.

FRIESEN: [01:11:32] Thank you. Any questions from the committee? Again, I think that some of the discussion has been on savings down the road and about PSAPs. And so the system, basically, and I appreciate what you guys have done, you've designed a system that really you're looking at every PSAP staying out there and staying open. And so the system is designed that way, but ultimately each PSAP can decide whether or not they want to consolidate within those regions. Is that a fair statement?

DAVID SANKEY: [01:11:52] That's exactly right, sir. This system allows us to save money, share resources, and it allows those locally owned, locally controlled PSAPs to make their own decisions about whether they want to remain as a, as a 911 center or they would just as soon their neighbor take their calls for them. We, we can, we're already working with PSAPs across the state that have expressed interest in no longer providing this service. If technology now allows us today for, for their neighbor in a visiting PSAP to take their calls, some areas have indicated that they no longer want to do that and they're talking about consolidation. So I think, I think in, in years down the road

you will see a slow transition to fewer and fewer PSAPs in our state. But for right now this, this allows them to make that decision and it's not forced upon them by the state.

FRIESEN: [01:12:35] So the way I envision some of these PSAPs, if you wanted to operate only during the day shift, if you wanted to you could partner up with someone else. And at night when you had trouble getting staff you could pass that service on to any, anywheres in the system to answer your calls.

DAVID SANKEY: [01:12:47] That's exactly right, Senator. If you just wanted operate from 8:00 to 5:00, you could do that. And you could have some other PSAP take your calls the remainder of that, of that time.

FRIESEN: [01:12:55] So is there, is there an estimate of the cost to the local PSAP for maintaining their end of the equipment? Obviously, I think there's going to be some local cost there. I mean you're regionalizing, the bigger picture, but the, the equipment in that individual PSAP will still be borne by the counties or cities.

DAVID SANKEY: [01:13:09] What we're proposing is that all of the equipment necessary to receive a 911 call would be paid for out of the wireless fund. So we would take care of that. Any additional equipment that they would need that, that isn't utilized to receive a 911 call would be the responsibility of the PSAP to pay for.

FRIESEN: [01:13:27] OK.

DAVID SANKEY: [01:13:27] So, so, and we're talking about transitioning that equipment every five years. So all of the equipment that's necessary to, to receive a call would be covered by the

wireless fund.

FRIESEN: [01:13:35] Thank you. Any other questions from the committee? We'll leave, we'll leave it at that. I think we, you know, I think the system has got a nice design to it and that allows a lot of things to happen down the road. And I think we need to be aware of that, that we constantly analyze, I guess, how, how that process works.

DAVID SANKEY: [01:13:48] Yes, sir.

FRIESEN: [01:13:48] Thank You, Mr. Hankey, Sankey. And we have, we have one letter that was submitted by NACO that we'll also enter into the record. With that, I think that's the end of the hearing. I will close, close the 911 hearing.