

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

BY THE COMMISSION:

⁵ See, In the Matter of the Commission, on its own motion, seeking to determine the surcharge for the Enhanced Wireless 911 Fund, Application No. 911-002, ORDER SETTING SURCHARGE (October 23, 2012).

Director Sankey testified that the balance in the fund as of November 1, 2019 was approximately \$11.4 million. He further stated that the total approved expenditures from the fund for the current 2019-2020 funding year are approximately \$8.7 million. These amounts were allocated to provide support to public safety answering points, wireless service providers, to compensate local exchange carriers, provide text-to-911 service. Director Sankey also testified that additional projected operational and administrative costs would bring the total amount expected to be expended from the fund to approximately \$9.8 million.

The Director stated that the forecasted remittances for the 2019-2020 fiscal year are approximately \$8.4 million, which is slightly more than actual remittances of \$8.38 million for the 2018-2019 fiscal year. Director Sankey also reported that the total amount of set-aside balances held by PSAPs across the state is approximately \$10 million.

Director Sankey further testified that the Commission's application for federal 911 grant dollars was successful, resulting in an award of \$1.99 million. These federal grant dollars will provide partial reimbursement for the cost of implementing next generation 911 in Nebraska. The grant funds must be expended prior to March 31, 2022.

Director Sankey recommended that the Surcharge remain at \$0.45. In addition, Director Sankey advised the Commission that the Enhanced Wireless 911 Advisory Board had met on October 21, 2019, and recommended that the Surcharge remain at the current level of \$0.45.

F I N D I N G S A N D C O N C L U S I O N S

Pursuant to *Neb. Rev. Stat. § 86-457*, the Commission may set the Surcharge no higher than \$0.70 per month for each active wireless telephone number or functional equivalent, except in Douglas County, where the maximum Surcharge is \$0.50.

The Commission finds, based upon witness testimony, the Commission staff's recommendation, the Advisory Board recommendation, and the current fund balance, that the surcharge should be maintained at forty-five cents (\$0.45) per active wireless telephone number or functional equivalent, per month. The Commission will have the opportunity to revisit the Surcharge level annually. The Commission will continue to monitor funding needs,

Application No. 911-002

Page 3

revenue projections and the fund balance and will make adjustments in the future should it be necessary.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the surcharge for the Enhanced Wireless 911 Fund should remain at forty-five cents (\$0.45) per active wireless telephone number or functional equivalent, per month, effective January 1, 2020.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 13th day of November, 2019.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Paul J. Jensen
Donna H. Hensley
Tim Schram

Mary Riddis

Chairman

ATTEST:

Phillip S. H. H.

Executive Director

Commissioner Crystal Rhoades Dissenting:

I respectfully dissent. Currently, city and county governments that operate 911 call centers in Nebraska are collectively holding \$10.86 million in 911 set aside funds. That money was distributed to local governments by the Nebraska Public Service Commission to pay for 911 services. The Commission allows public safety answering points (PSAPs) to set aside their unused 911 funding for future use for a period of ten years and then gives them an additional two years to either spend the money or return it. This practice has resulted in very large funding reserves being accumulated by cities and counties. I believe this policy needs review as it has resulted in an excessive reserve of 911 funding at the city and county level, when it should have been used to help Nebraskans in emergencies.

Currently, the Commission's own reserve balance of 911 funds is \$11.4 million. In addition, the Commission was recently awarded a \$1.99 million federal grant to help pay for the implementation of next generation 911 (NG911) in Nebraska. The Commission was previously directed by the legislature to create a statewide plan NG911 implementation. The Commission's plan estimates rough order of magnitude (ROM) costs of \$1.8 million per year for a secure statewide NG911 IP network and call handling equipment, plus an additional \$4.7 million per year for NG911 call routing and text-to-911. The combined \$24.25 million of the Commission's 911 reserve, federal grant and local government 911 reserves would comfortably cover the estimated NG911 costs reported in the Commission's plan for an extended period of time.

The recommendation from the Commission staff is to maintain the wireless 911 surcharge at the current rate of \$0.45 per line of service which, combined with surcharges remitted on prepaid wireless accounts, would add an additional \$8.38 million to the 911 funds held by the Commission. The Commission intends to spend \$9.8 million on PSAPs, wireless carriers, local exchange carriers and administrative cost for the 2019-2020 fiscal year, plus another \$1.92 million on contractual obligations relating to NG911 implementation, based on the Commission's plan and staff testimony.

Given the excess balance of 911 funds already available to the Commission and local governments, I would urge a reduction in the surcharge rate to \$0.35 per month per wireless line. This would generate \$5.8 million in revenue, not including surcharges

Application No. 911-002

Page 5

on prepaid wireless accounts. This would reduce the surplus of 911 funds and the burden on taxpayers, while still providing for adequate reserves and implementation of NG911 across Nebraska. While it is reasonable to plan for that expenditure and hold a reasonable reserve in the fund, it is my view that balance is excessive, particularly since the cities and counties are holding a large balance of set aside funds.

A reduction of the surcharge to \$0.35 per line would be more than sufficient to meet the ongoing funding commitments to the PSAPs and the implementation of NG911, while spending down the balances in the set aside funds and reducing the reserve held at the Commission.

A handwritten signature in cursive script, reading "Crystal Rhoades", is written over a horizontal line.

Commissioner Crystal Rhoades