

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. 911-073/PI-232
Public Service Commission, on)
its own motion, to consider) ORDER OPENING DOCKET AND
recommendations of the Service) SEEKING PUBLIC COMMENT
System Advisory Committee for)
creation of a new funding)
system for Next Generation) Entered: May 5, 2020
911.

BY THE COMMISSION:

The Nebraska Public Service Commission (Commission) initiates this proceeding to consider implementing recommendations of the 911 Service System Advisory Committee for the creation of a new funding system for Next Generation 911.

By Order issued February 23, 2010, the Commission adopted the Wireless 911 Support Allocation Model (911-SAM) for the purpose of disbursing funds from the Enhanced Wireless 911 Fund (the "E911 Fund") to eligible wireless service providers (WSPs) and public service answering points (PSAPs)¹. The 911-SAM was created to implement provisions of LB 1222 [2006] which established the Enhanced Wireless 911 Services Act (the "E911 Act").²

On April 4, 2018, LB 993 [2018] was signed into law by the Governor. Among other things, LB 993 revised the 911 Service System Act³ to provide that the Commission, as the statewide coordinating authority for the implementation of the 911 service system, was directed to:

(a) Determine how to allocate the 911 Service System Fund in order to facilitate the planning, implementation, coordination, operation, management, and maintenance of the 911 service system;

(b) Create a mechanism for determining the level of funding available to or for the benefit of local governing bodies, public safety answering points, and third-party service or infrastructure providers for costs determined to be eligible by the commission; and

¹ *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service, Application 911-019/PI-118, FINAL ORDER ADOPTING MODEL AND APPLICATION PROCESS (February 23, 2010).*

² Neb. Rev. Stat. §§ 86-442 to 86-471.

³ Neb. Rev. Stat. §§ 86-1001 to 86-1030.

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(c) Establish standards and criteria concerning disbursements from the 911 Service System Fund for the planning, implementation, coordination, operation, management, and maintenance of the 911 service system.⁴

LB 993 also established the 911 Service System Advisory Committee, (Advisory Committee) to "make recommendations to the Commission regarding the exercise of the commission's duties administering the 911 service system."⁵ In order to facilitate its operations, the Advisory Committee established a number of working groups, including a Funding Working Group. Members of the Funding Working Group include the Hall County Emergency Manager, a York County Commissioner, the Douglas County Chief Administrative Officer, a representative of the Nebraska League of Municipalities, a representative of the Nebraska Association of County Officials and the Commission's Finance and Budget Manager. The Funding Working Group held a series of meetings, beginning on June 26th 2019, to develop a proposal to establish a new funding method for the Nebraska 911 Service System.

At a meeting of the Advisory Board held on February 12, 2020, the Funding Working Group presented the Advisory Board with its proposal for allocating [wireless surcharge] funding to the 911 Service System for Next Generation 911 operations. Under the Working Group's proposal, 911 surcharges collected from wireline and Voice Over Internet Protocol (VOIP) customers would continue to be remitted directly to local governmental units. The Commission would use wireless surcharges collected from wireless customers to pay 100% of the costs to create and maintain a statewide Emergency Services Internet Protocol Network (ESINet), Next Generation 911 Core Services (NGCS) (which consists of call location and routing functions), text-to-911, and legacy selective routing. After payment of the above items, the Commission would allocate the remaining wireless surcharge funds to PSAPs and wireless service providers. PSAP funding would be allocated annually, paid in monthly installments and earmarked for 911 Call Handling Equipment and other 911 related expenses.

The Funding Working Group's proposal for annually allocating wireless surcharge funds to PSAPs consists of three fundamental inputs: (i) a base amount of annual funding that would be the same for each PSAP, (ii) an amount based on each PSAP's relative annual call volume, and (iii) an amount based on the relative population of

⁴ LB993 [2018], Section 12 (revising Neb. Rev. Stat. § 86-1025).

⁵ LB993 [2018], Section 12 (codified at Neb. Rev. Stat. § 86-1025.01).

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each PSAP's service area. Under this proposal, all PSAPs would receive the same amount of funding for the base amount, however, PSAPs that received more calls would receive more funding based on call volume and PSAPs that serve more people would receive more funding based on population. Each PSAP would switch to the new funding allocation method at the time that its respective PSAP Region became connected to the ESINet and NGCS.

The Advisory Committee minutes for the February 12, 2020, meeting reflect a spirited discussion regarding the relative percentages of wireless surcharge remittances to be applied to the above three categories. After such discussion, the Advisory Committee voted to call for 40 percent of available PSAP funding to be allocated to the base amount, 40 percent to call volume and 20 percent to population. The Advisory Committee also decided that it would consider the adoption of the Working Group's proposal as a whole at a later meeting.

On April 1, 2020, the 911 Service System Advisory Committee voted unanimously to adopt the proposal of the Funding Working Group and forward the proposal to the Commission as a recommendation of the Advisory Committee as a whole. A copy of the Advisory Committee recommendation is attached to this Order as Appendix A.

Accordingly, the Commission enters this Order to seek public comment on the Advisory Committee's funding recommendation. In particular, the Commission seeks comment both on the proposal generally and on the following specific issues:

1. Is it appropriate for the Commission to base the allocation of wireless surcharge funding to PSAPs on a base amount, call volume and population? If so, should the relative percentages be 40 percent, 40 percent and 20 percent, or some other proportion?
2. Should the Commission expand the eligible uses of PSAP funding allocations, for example, to include radio equipment or broader coverage of local personnel costs?
3. Should the Commission's audit procedures with respect to PSAP use of 911 surcharge funds also cover expenditures of wireline and VOIP remittances?
4. Should any portion of wireless surcharge funds be allocated directly to PSAP regions, in addition to individual PSAPs?
5. Is it appropriate for the Commission to continue to allocate a portion of wireless surcharge remittances to wireless service

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providers? Should it make a difference if the wireless service provider is already imposing a regulatory charge or similar fee on its customers? If a continued allocation to wireless service providers is appropriate, what should be the eligible uses of such funds? Finally, how should wireless service providers' use of such funding allocations be audited?

6. Is there a minimum level of funding that should be annually allocated by the Commission to PSAPs and wireless service providers, even if such a requirement may require periodic increases in the wireless 911 surcharge?
7. Is it appropriate for the Commission to retain some amount of wireless surcharge remittances as a reserve fund? If so, what is the appropriate reserve fund balance?

The Commission requests that interested parties and members of the public provided written comments to the issues described above on or before **June 5, 2020**. Commenters should file (1) paper copy and (1) electronic copy of their comments with the Commission. Electronic copies should be sent to matt.effken@nebraska.gov and jacki.synhorst@nebraska.gov.

O R D E R

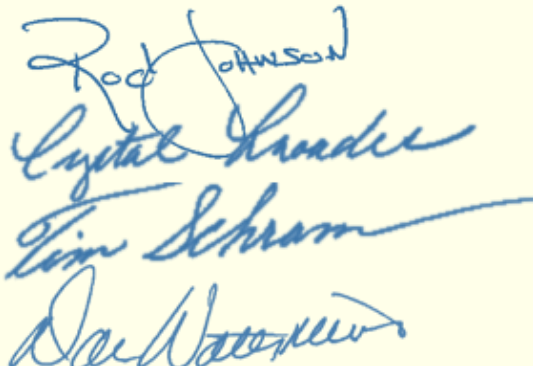
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned docket be opened.

IT IS FURTHER ORDERED that comments responsive to the foregoing questions may be filed on or before June 5, 2020, in the manner described herein.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 5th day of May, 2020.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:





Chair

ATTEST:


Executive Director

APPENDIX A

**SSAC Funding Working Group
Recommendations**

PSAPs Will Continue to Receive All Wireline and VOIP 911 Surcharge Funds

Public Service Commission Will Use Wireless 911 Funds to pay the following costs of Next Generation 911 Deployment and Operation

- 100% of the cost to provide the ESInet
- 100% of the cost to connect host PSAPs to the ESInet
- 100% of Next Generation Core Services for the PSAPs
- 100% of Text-to-911 costs
- 100% of Legacy Selective Router costs
- Annual Funding Allocation to PSAPs
- Wireless Service Provider Cost Recovery

New PSAP Funding Allocation Model

- The new PSAP allocation model for wireless 911 funds will be transparent and based on measurable data.
- PSAP Allocations based on three simple components:
 - An Equal Distribution Base Amount
 - PSAP Call Volume
 - PSAP Service Area Population

Proposed Allocation Model Percentages

Allocation Percentage	Description	Details
40 Percent	Equal Distribution Base Amount	40% of the total annual PSAP allocation will be divided into equal shares and distributed to each PSAP.
40 Percent	Call Volume	40% of the total annual PSAP allocation will be distributed to each PSAP based on its share of statewide 911 call volume determined via ECaTS.
20 Percent	Service Area Population	20% of the total annual PSAP allocation will be distributed to each PSAP based on its share of statewide population determined via [annually revised] census data.

When a PSAP Joins the NG911 System:

- The New PSAP Allocation Model will take effect.
- The wireless/wireline ratio will no longer apply.
- PSAP costs for 911 trunks and ALI Database services will end
 - Helps PSAPs adjust to the New Allocation Model
- New rules for use of legacy set aside funds will take effect
- Each PSAP will continue to be audited annually to confirm 911 Service System funds were used for eligible purposes according to legal requirements

PSAP Use of 911 Service System Funds

- After transition to NG911, each PSAP will be able to use its annual funding allocation and any legacy set-aside fund balance for the following eligible expenses:
 - Call Handling Equipment (Top Priority; Five year replacement schedule)
 - GIS
 - Regional Connectivity, including last mile costs
 - Training
 - Radio Consoles
 - Computer Aided Dispatch
 - Logging Recorders
- PSAPs will be strongly encouraged to carry over a portion of their annual funding allocation from year to year, to prepare for future capital equipment costs and unexpected events.

PSAP Use of Legacy Set-Aside Funds

- When a PSAP joins the NG911 system:
 - Legacy set aside funds may be used for any eligible expense without seeking PSC approval.
 - PSAPs are encouraged to use Legacy set-aside funds to cover PSAP costs of adjusting to the new Funding Allocation Model.
 - The requirement that legacy set-aside funds be used or returned within 10 years will be eliminated.
 - PSAPs will have three years to use any legacy set-aside balance held on the date of transition.
- Legacy Set-Aside Funds may not be used for personnel costs. PSAPs are encouraged to use other funds, such as wireline, VOIP or local general funds for personnel expenses.
- Each PSAP should develop a plan to spend all of its legacy set aside balance within three years after the date of transition.
- Funding Requests and Public Service Commission Orders will no longer be necessary to use legacy set-aside funds or PSAP allocation dollars that are carried over from one year to the next.

Planning for Future Expenditures

- PSAPs will need to include the five year replacement schedule of Call Handling Equipment in their annual budgeting process.
- Each year, all wireless funds collected by the PSC will be distributed as follows:
 - (i) Statewide system costs;
 - (ii) Distributed to PSAPs via the Allocation Model; and
 - (iii) Distributed to Wireless Carriers for NG911 Cost Recovery.
- Because all 911 Service System Funds will be distributed on a yearly basis, there will be no special/additional funding distributions to pay for five year replacement of PSAP Call Handling Equipment.