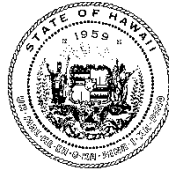




SB2805

Measure Title:	RELATING TO ENHANCED 911 SERVICES.
Report Title:	Prepaid Wireless; Enhanced 911 Services
Description:	Establishes a prepaid wireless E911 surcharge of 66 cents per retail transaction of prepaid wireless telecommunications service at the point of sale. Allows sellers to deduct and retain 3 per cent of the surcharge that is collected. Requires the amounts collected by the Enhanced 911 Board to be placed in the Enhanced 911 Fund. Effective on July 1, 2017.
Companion:	HB2276
Package:	Governor
Current Referral:	PSM/CPH, WAM
Introducer(s):	KOUCHI (Introduced by request of another party)

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
PUBLIC SAFETY, INERGOVERNMENTAL AND MILITARY AFFAIRS
AND
ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH
ON
FEBRUARY 11, 2016

S.B. 2805

RELATING TO ENHANCED 911 SERVICES

Chair Nishihara, Chair Baker and members of the Committees, thank you for the opportunity to testify on S.B. 2805. The Department of Accounting and General Services (DAGS) supports S.B. 2805 (the measure).

We support this measure for the following reasons:

1. This bill will create parity between postpaid and prepaid cellular phone customers. It is estimated that approximately 10% to 20% of cellular phone customers' use prepaid cellular phones. Although the prepaid cellular phone customers benefit from the use of the enhanced 911 features, they are currently exempt from the \$0.66/month per line surcharge. As a result, postpaid cellular phone customers subsidize the prepaid cellular phone customers' portion of the cost for the acquisition, implementation and maintenance of hardware and software that provide enhanced 911 functionality.

2. With the rapidly changing technical environment of cellular and smart phone devices, the Federal Communications Commission (FCC) is continually adopting new requirements imposed on the public safety answering points (911 call centers operated by the county police, fire, and emergency services programs) to implement new 911 technologies. However, the FCC provides no funding to the public safety answering points to implement the new requirements. The Enhanced 911 Fund (the Fund) will be required to reimburse the counties for their upgrades to their 911 operations to have “text to 911” and “next generation 911” calling receiving capabilities. These new technologies require upgrades to hardware and software so 911 call centers are able to handle 911 calls from “internet protocol” devices. Without the projected \$1 to \$2 million additional revenue, the Fund is projected to have a deficit of approximately \$4.5 million by the end of fiscal year 2023. If the measure is passed, the Fund is projected to have a balance of approximately \$1.0 million at the end of fiscal year 2023.
3. Approximately 40 states have enacted legislation to assess 911 call surcharges on prepaid cell phone customers.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES ON
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS
AND
COMMERCE, CONSUMER PROTECTION, AND HEALTH

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

THURSDAY, FEBRUARY 11, 2015
8:30 a.m.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE CLARENCE K. NISHIHARA AND ROSALYN H.
BAKER, CHAIRS, AND MEMBERS OF THE COMMITTEES

SENATE BILL NO. 2805 - RELATING TO ENHANCED 911 SURCHARGES

DESCRIPTION:

This measure proposes to establish a \$0.66 prepaid wireless E911 surcharge per retail transaction of prepaid wireless telecommunications service at the point of sale and allows sellers to deduct and retain 3 per cent of the surcharge that is collected. This measure also proposes to require the amounts collected by the E911 board to be placed in the E911 fund.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports this measure.

Senate Bill No. 2805

Senate Committee on Public Safety, Intergovernmental, and Military Affairs

Senate Committee on Commerce, Consumer Protection, and Health

Thursday, February 11, 2016, 8:30 a.m.

Page 2

COMMENTS:

This bill would impose the E911 surcharge on prepaid wireless customers for each retail transaction of prepaid wireless telecommunications service at the point of sale. Prepaid wireless customers are currently exempt pursuant to Hawaii Revised Statutes Section 138-4(b)(2) from paying the E911 surcharge and yet prepaid wireless customers have always had access to the E911 system and its services. Under this exemption, prepaid wireless customers have been subsidized by the postpaid customers who pay the monthly E911 surcharge. Given the importance of the E911 system to all members of our community, the system should be funded in a fair and equitable manner and this bill will provide parity among all wireless customers. The Consumer Advocate supports the collection of the E911 surcharge from prepaid wireless customers.

Thank you for this opportunity to testify.

TESTIMONY
OF
PAUL K. FERREIRA,
STATE OF HAWAII, ENHANCED 911 BOARD
TO THE
SENATE COMMITTEES
ON
PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS
AND
ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH
ON
FEBRUARY 11, 2016
8:30 A.M.
STATE CAPITOL, CONFERENCE ROOM 229

IN SUPPORT
OF
SENATE BILL 2805
RELATING TO ENHANCED 911 SERVICES

Chair Nishihara, Chair Baker, Vice Chair Espero, Vice Chair Kidani, and members of the committees, thank you for the opportunity to testify on SB 2805. The Enhanced 911 Board (Board) supports SB 2805, Relating to Enhanced 911 Services that seeks to collect the 911 surcharge from prepaid wireless mobile phone consumers at the retail point of sale.

The collection of prepaid wireless 911 surcharge is very important in order to sustain adequate funding for enhanced 911 statewide. Our testimony is provided today on behalf of the thirteen-member Enhanced 911 Board that is comprised of representatives from each of the Public Safety Answering Points (PSAPs), representatives of the communications service providers, the public utility, and representatives from State agencies.

The Enhanced 911 Fund (the Fund) ensures adequate funding to deploy and sustain Enhanced 911 services, as well as to develop and fund future enhanced 911 technologies. Currently, a monthly surcharge of 66 cents per month is imposed upon each communications service connection (except wireless prepaid mobile phone users) and is remitted by the communications service providers to the Fund.

911 surcharges should be imposed in a fair and equitable manner with respect to prepaid mobile service as the 911 surcharge is collected today for postpaid wireless. The 911 surcharge should be imposed upon all consumers of telecommunication services that have the ability to access 911. This is an important funding mechanism to assist state and local governments in sustaining 911 systems and to provide for the deployment of new and emerging technologies. Prepaid wireless telecommunications services are an important segment of the telecommunications industry and have grown in use by consumers; however, today prepaid wireless consumers are exempt from the surcharge but yet have always had access to 911.

Today, Hawaii's consumers of prepaid wireless service are being subsidized by postpaid consumers who pay a monthly 911 surcharge. To be fair and equitable, prepaid wireless consumers should not be exempt from the 66 cents 911 surcharge and therefore should pay a 66 cents 911 surcharge per transaction at the point of sale.

Under existing law, the surcharge is not imposed on wireless prepaid mobile phone users despite the growth of prepaid phones. The Cellular Telephone Industries Association (CTIA) estimates prepaid wireless consumers represents about 20% of the consumer market in Hawaii. Approximately 40 states have already passed legislation to impose surcharges on prepaid phones in order to partially fund their migration to Next Generation 911 technology (NG911). The Federal Communications Commission (FCC) continually imposes requirements upon the Public Safety Answering Points (PSAPs) (e.g., police, fire, and emergency services) to implement new 911 technologies such as Text-to-911, Multimedia Messaging (photo and video) to 911, Dispatchable location compliance, and improving location accuracy to include z-axis (floor and room number); however, with each requirement there is no federal funding to assist with the costs of these new and emerging technologies.

Prepaid mobile phone users benefit from the 911 system and they should also participate equally in support of the 911 system through a surcharge as outlined in this bill. The estimated revenue of about \$1,000,000 to \$2,000,000 per year from prepaid mobile phone user fees will assist in upgrading and maintaining the PSAPs' computer hardware and software in order to support the aforementioned new and emerging technologies. Our forecasted cash flow for fiscal years 2017-23 projects a negative cash position by the end of FY2023 if prepaid legislation is not passed. If passed, projected cash flow will recover \$1,000,000 of positive cash by the end of FY2023.

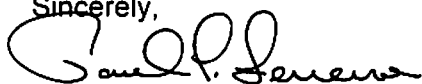
It is equitable for prepay subscribers of wireless services to contribute to the E-911 Fund. Currently prepay users have access to the E911 system but don't contribute to the fund. Their access is currently being subsidized by postpaid subscribers who do contribute.

Therefore, what is fair and equitable would be to collect the 911 surcharge of 66 cents per transaction at the point of sale. The surcharge on prepaid, like postpaid, would be remitted directly to the special fund established for Enhanced 911 outside the State Treasury known as the Fund that is administered by the Board. Moneys in the Fund are expended exclusively by the Board for the purposes of ensuring adequate funding to deploy and sustain Enhanced 911 services statewide.

The benefit to the public is a comprehensive, efficient, and coordinated statewide 911 system serving all citizens that is funded in a fair and equitable manner.

For these reasons, we urge the committees to support our bill. Thank you for this opportunity to testify on this important matter.

Sincerely,



PAUL K. FERREIRA
CHAIRPERSON
ENHANCED 911 BOARD

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD KOSHIO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.labor.hawaii.gov
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dlir.director@hawaii.gov

February 8, 2016

The Honorable Clarence Nishihara, Chair
Committee on Public Safety, Intergovernmental,
and Military Affairs
The State Senate
State Capitol, Room 204
Honolulu, Hawaii 96813

The Honorable Rosalyn Baker, Chair
Committee on Commerce, Consumer Protection,
and Health
The State Senate
State Capitol, Room 230
Honolulu, Hawaii 96813

Dear Chairs Nishihara and Baker:

Subject: Senate Bill (SB) 2805 Relating to Enhanced 911 Services (E911)

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support SB 2805, which proposes to collect the E911 surcharge from prepaid wireless mobile phone consumers at the retail point of sale.

Public Safety Answering Points (PSAP) provided by state and local governments benefit the caller by having their emergency calls for assistance transmitted, received, and dispatched efficiently. The E911 Fund is used to sustain the system and fund future technologies that the Federal Communications Commission continually imposes on the PSAPs without financial support.

E911 monthly surcharges of 66 cents per month are imposed on each communication service connection and remitted to the E911 Fund. Prepaid wireless service is currently

The Honorable Lorraine Inouye, Chair
The Honorable Clarence Nishihara, Chair
Page 2
February 8, 2016

not being assessed. This bill would impose the surcharge at the point of sale in a fair and equitable manner to prepaid wireless consumers who currently benefit from the E911 system.

The SFC and the HFD urge your committees' support on the passage of SB 2805.

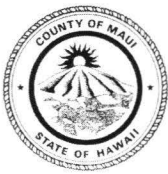
Should you have questions, please contact SFC Administrator Socrates Bratakos at 723-7105 or sbratakos@honolulu.gov.

Sincerely,



MANUEL P. NEVES
Chair

MPN/LR:clc



ALAN M. ARAKAWA
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT

COUNTY OF MAUI

**55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411**

February 5, 2016



TIVOLI S. FAAUMU
CHIEF OF POLICE

DEAN M. RICKARD
DEPUTY CHIEF OF POLICE

The Honorable Senator Clarence K. Nishihara, Chair
And Members of the Committee of Public Safety,
Intergovernmental and Military Affairs
The Senate
State Capitol
Honolulu, HI 96813

RE: Senate Bill No. 2805, RELATING TO ENHANCED 911 SURCHARGES

Dear Chair Nishihara and Members of the Committee:

The Maui Police Department supports S.B. 2805 which seeks to collect the E911 surcharges from prepaid wireless consumers at the retail point of sale.

The collection of prepaid wireless E911 surcharge is very important in order to sustain adequate funding for the Enhanced 911 statewide. With this, E911 surcharges would be imposed in a fair and equitable manner with respect to prepaid mobile services. The E911 surcharge should be imposed on all consumers of telecommunication services that have the ability to access E911. This is an important funding mechanism to assist state and local governments in sustaining E911 systems. The benefits to the public is a comprehensive, efficient, and coordinated statewide E911 system serving all citizens, and that this system is funded in a fair and equitable manner for all.

The Maui Police Department asks for your support of S.B. No. 2805.

Sincerely,

TIVOLI S. FAAUMU
Chief of Police

TESTIMONY OF THE HAWAI'I POLICE DEPARTMENT

SENATE BILL 2805

RELATING TO ENHANCED 911 SURCHARGES

**BEFORE THE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND
MILITARY AFFAIRS**

AND

**BEFORE THE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND
HEALTH**

DATE : Thursday, February 11, 2016

TIME : 8:30 A.M.

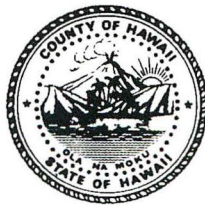
PLACE : Conference Room 229
State Capitol
415 South Beretania Street

PERSON TESTIFYING:

Police Chief Harry S. Kubojiri
Hawai'i Police Department
County of Hawai'i

(Written Testimony Only)

William P. Kenoi
Mayor



Harry S. Kubojiri
Police Chief

Paul K. Ferreira
Deputy Police Chief

County of Hawai'i

POLICE DEPARTMENT

349 Kapi'olani Street • Hilo, Hawai'i 96720-3998
(808) 935-3311 • Fax (808) 961-2389

February 10, 2016

Senator Clarence K. Nishihara
Chairman and Committee Members
Committee on Public Safety, Intergovernmental and Military Affairs
Senator Rosalyn H. Baker
Chairperson and Committee Members
Committee on Commerce, Consumer Protection, and Health

415 South Beretania Street, Room 229
Honolulu, Hawai'i 96813

Re: SENATE BILL 2805 RELATING TO ENHANCED 911 SURCHARGES

Dear Senators Nishihara and Baker:

The Hawai'i Police Department supports Senate Bill 2805, with its purpose being to establish a prepaid wireless E911 surcharge of 66 cents per retail transaction of prepaid wireless telecommunications service at the point of sale, which basically eliminates the exemption for prepaid wireless connections.

We believe this legislation as written will serve to ensure an act of equity amongst consumers of wireless communications devices in terms of needed revenue for enhanced 911 (E911) services attendant to these devices. In essence, the wireless communications industry similar to the computer industry is constantly incorporating and deploying newer, faster, and more efficient technology into the field.

In response, the Public Safety Answering Points (PSAPS) must also constantly upgrade their equipment in order to take advantage of the increasing capabilities of these devices as well as to meet public expectations for the technology. The recent movement towards the Next Generation 911 upgrading of PSAPS is a prime example. These upgrades will allow PSAPS to receive text messages, photos, and video from wireless phones.

In that the E911 funding is utilized for necessary upgrades, we believe the rise in use of prepaid wireless connections should be attendant with elimination of the exemption in the best interests of the communities served by the various PSAPS in the State of Hawai'i.

It is for these reasons, we urge this committee to approve this legislation.

Thank you for allowing the Hawai'i Police Department to provide comments relating to Senate Bill 2805.

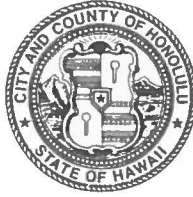
Sincerely,

HARRY S. KUBOJIRI
POLICE CHIEF

"Hawai'i County is an Equal Opportunity Provider and Employer"

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 529-3111 • INTERNET: www.honolulu.org



KIRK CALDWELL
MAYOR

LOUIS M. KEALOHA
CHIEF

MARIE A. McCAULEY
CARY OKIMOTO
DEPUTY CHIEFS

OUR REFERENCE **AN-AS**

February 11, 2016

The Honorable Clarence K. Nishihara, Chair
and Members
Committee on Public Safety, Intergovernmental,
and Military Affairs
The Honorable Rosalyn H. Baker, Chair
and Members
Committee on Commerce, Consumer
Protection, and Health
State Senate
Hawaii State Capitol, Room 229
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Nishihara and Baker and Members:

SUBJECT: Senate Bill No. 2805, Relating to Enhanced 911 Services

I am Allan Nagata, Acting Major of the Communications Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports Senate Bill No. 2805, Relating to Enhanced 911 Services, with the suggested amendment to set the unspecified prepaid wireless enhanced 911 surcharge at \$0.66.

This bill provides fair and equitable contribution to the funding of the 911 system. Currently, prepaid wireless consumers are exempt from paying the \$0.66 surcharge but have the same access to the 911 system. The collection and payment obligation of charges to support the 911 system should be in parity with other wireless consumers.

The Honorable Clarence K. Nishihara, Chair
and Members
Committee on Public Safety, Intergovernmental,
and Military Affairs
The Honorable Rosalyn H. Baker, Chair
and Members
Committee on Commerce, Consumer
Protection, and Health
February 11, 2016
Page 2

The HPD urges you to support Senate Bill No. 2805, with the suggested amendment.

Thank you for the opportunity to testify.

Sincerely,



Allan Nagata, Acting Major
Communications Division

APPROVED:



Louis M. Kealoha
Chief of Police

Bernard P. Carvalho, Jr.
Mayor



Robert F. Westerman
Fire Chief

Nadine K. Nakamura
Managing Director

KAUA'I FIRE DEPARTMENT
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite 315, Līhu'e, Hawai'i 96766
TEL (808) 241-4980 FAX (808) 241-6508

February 8, 2016

The Honorable Clarence Nishihara, Chair
Committee on Public Safety Intergovernmental
and Military Affairs
The State Senate
State Capitol, Room 204
Honolulu, Hawaii 96813

The Honorable Rosalyn H. Baker, Chair
Committee on Commerce, Consumer Protection, and Health
The State Senate
State Capitol, Room 230
Honolulu, Hawaii 96813

Dear Chairs Nishihara and Baker:

Subject: Senate Bill (SB) 2805 Relating to Enhanced 911 Services

I am Robert F. Westerman, Fire Chief of the Kauai Fire Department (KFD). The KFD supports SB 2805, which seeks to collect the 911 surcharge from prepaid wireless mobile phone consumers at the retail point of sale.

The collection of prepaid wireless 911 surcharge is very important in order to sustain adequate funding for enhanced 911 statewide. The Enhanced 911 Fund (the Fund) ensures adequate funding to deploy and sustain Enhanced 911 services, as well as to develop and fund future enhanced 911 technologies. Currently, a monthly surcharge of 66 cents per month is imposed upon each communications service connection (except wireless prepaid mobile phone users) and is remitted by the communications service providers to the Fund.

911 surcharges should be imposed in a fair and equitable manner with respect to prepaid mobile service as the 911 surcharge is collected today for postpaid wireless. The 911 surcharge should be imposed upon all consumers of telecommunication services that have the ability to access 911. This is an important funding mechanism to assist state and local governments in sustaining 911 systems and to provide for the deployment of new and emerging technologies. Prepaid wireless telecommunications services are an important segment of the telecommunications industry and have grown in use by consumers; however, today prepaid wireless consumers are exempt from the surcharge but yet have always had access to 911.

The Honorable Clarence Nishihara, Chair
The Honorable, Rosalyn Baker, Chair
Page 2
February 8, 2016

Hawaii's consumers of prepaid wireless service are being subsidized by postpaid consumers who pay a monthly 911 surcharge. To be fair and equitable, prepaid wireless consumers should not be exempt from the 66 cents 911 surcharge and therefore should pay a 66 cents 911 surcharge per transaction at the point of sale.

Under existing law, the surcharge is not imposed on wireless prepaid mobile phone users despite the growth of prepaid phones. The Cellular Telephone Industries Association (CTIA) estimates prepaid wireless consumers represents about 20% of the consumer market in Hawaii. Approximately 40 states have already passed legislation to impose surcharges on prepaid phones in order to partially fund their migration to Next Generation 911 technology (NG911). The Federal Communications Commission (FCC) continually imposes requirements upon the Public Safety Answering Points (PSAPs) (e.g., police, fire, and emergency services) to implement new 911 technologies such as Text-to-911, Multimedia Messaging (photo and video) to 911, Dispatchable location compliance, and improving location accuracy to include z-axis (floor and room number); however, with each requirement there is no federal funding to assist with the costs of these new and emerging technologies.

Prepaid mobile phone users benefit from the 911 system and they should also participate equally in support of the 911 system through a surcharge as outlined in this bill. The estimated revenue of about \$1,000,000 to \$2,000,000 per year from prepaid mobile phone user fees will assist in upgrading and maintaining the PSAPs' computer hardware and software in order to support the aforementioned new and emerging technologies. Our forecasted cash flow for fiscal years 2017-23 projects a negative cash position by the end of FY2023 if prepaid legislation is not passed. If passed, projected cash flow will recover \$1,000,000 of positive cash by the end of FY2023.

The surcharge on prepaid, like postpaid, would be remitted directly to the special fund established for Enhanced 911 outside the State Treasury known as the Fund that is administered by the Board. Moneys in the Fund are expended exclusively by the Board for the purposes of ensuring adequate funding to deploy and sustain Enhanced 911 services statewide.

The benefit to the public is a comprehensive, efficient, and coordinated statewide 911 system serving all citizens that is funded in a fair and equitable manner. For these reasons, we urge the committees to support SB 2805.

Please call me at (808) 241-4975 should you have any questions regarding this matter.

Sincerely,



Robert Westerman
Fire Chief, County of Kaua'i

RFW/eld

200 Akamainui Street
Mililani, Hawaii 96789-3999
Tel: 808-625-2100
Fax: 808-625-5888



Honorable Clarence Nishihara, Chair
Honorable Will Espero, Vice Chair
Senate Committee on Public Safety, Intergovernmental and Military Affairs

Honorable Rosalyn Baker, Chair
Honorable Michelle Kidani, Vice Chair
Senate Committee on Commerce, Consumer Protection and Health

RE: **SB 2805 – Relating to Enhanced 911 Services – IN SUPPORT**
Thursday, February 11, 2016, 8:30 AM; Room 229

Aloha Chairs Nishihara and Baker, Vice Chairs Espero and Kidani and members of the Committees,

My name is Kiman Wong and I am the Director – Wireless, Home Phone, IntelligentHome and Government Relations for Oceanic Time Warner Cable (“Oceanic”). Thank you for the opportunity to testify in support of SB 2805, which establishes a prepaid wireless E911 surcharge of 66 cents per retail transaction of prepaid wireless telecommunications service at the point of sale.

This is an important funding mechanism to assist state and local governments in sustaining 911 systems and to provide for the deployment of new and emerging technologies. Prepaid wireless telecommunications services have grown in use by consumers; however, today prepaid wireless consumers are exempt from the surcharge yet have always had access to 911. The 911 surcharge should be imposed upon all consumers of telecommunication services that have the ability to access 911.

The Federal Communications Commission (FCC) continually imposes requirements upon the Public Safety Answering Points (e.g., police, fire and emergency services) to implement new 911 technologies such as Text-to-911, Multimedia Messaging (photo and video) to 911, Dispatchable location compliance, and improving location accuracy to include z-axis (floor and room number). However, there is no federal funding to assist with the costs of these required new and emerging technologies.

We ask for your favorable consideration of this measure. Thank you.



Executive Officers:
Derek Kurisu, KTA Superstores - Chairperson
John Erickson, Young's Market Company - Vice Chair
Bob Stout, Times Supermarkets - Secretary/Treasurer
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax: 808-791-0702
Telephone: 808-533-1292

TO:
COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL & MILITARY AFFAIRS
Representative Clarence K. Nishihara, Chair
Representative Will Espero, Vice Chair

COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH
Senator Rosalyn H. Baker, Chair
Senator Michelle N. Kidani, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Thursday, February 11, 2016
TIME: 8:30 am
PLACE: Conference Room 229

RE: SB2805

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Hawaii businesses and customers already pay several costly taxes and fees that are not only a financial burden, but an administrative burden as well. The state's system is complex and hard to navigate and adding an additional surcharge creates an unnecessary added cost for retailers and consumers.

While we appreciate the three percent allotment of the fee to retailers, **1.2 cents per card is not enough to pay for accounting and processing costs and we will be operating at a loss.** Given the importance of 911 to all residents and visitors, we believe this program should be covered by an appropriation from the General Fund.

For these reasons we ask that this bill be held.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
To: [PSMTestimony](#)
Cc: rkailianu57@gmail.com
Subject: *Submitted testimony for SB2805 on Feb 11, 2016 08:30AM*
Date: Tuesday, February 09, 2016 10:33:07 PM

SB2805

Submitted on: 2/9/2016

Testimony for PSM/CPH on Feb 11, 2016 08:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Ho`omana Pono, LLC	Oppose	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



John Cmelak
Vice President, State Tax Policy, West Territory
john.cmelak@verizonwireless.com
Mobile: (510) 468-4477
Office: (925) 279-6789
Fax: (925) 951-2719

February 11, 2016

Honorable Clarence K. Nishihara
Chair, Senate Public Safety, Intergovernmental and Military Affairs Committee
Hawaii State Capitol
Room 204
Honolulu, HI 96813

Honorable Rosalyn H. Baker
Chair, Senate Commerce, Consumer Protection and Health Committee
Hawaii State Capitol
Room 230
Honolulu, HI 96813

RE: Senate Bill 2805, 9-1-1 Prepaid Surcharge – Support

Verizon supports SB 2805, legislation relating to the imposition of Hawaii's 9-1-1 surcharge on prepaid wireless services.

This bill is modeled after the NCSL endorsed model, and all key components of that model have been captured. SB 2805 is legislation similar to that which has already been adopted in 37 states, the District of Columbia and the Virgin Islands. It is the most appropriate method by which to accurately impose Hawaii's 9-1-1 surcharge on prepaid wireless services.

Verizon is a strong supporter of the public safety community and believes that a fully-funded, efficient and fair 9-1-1 system is in the best interest of the People of Hawaii. With the proliferation of 9-1-1 calls made from wireless devices, it is that much more imperative that those who benefit from access to the 9-1-1 system are also contributors.

Due to the unique business model of prepaid wireless services, where the majority of transactions occur at national 'big box' stores and other general retailers, the only way to accurately capture the 9-1-1 surcharge is to collect the surcharge at the point-of-sale at the time of the retail transaction. SB 2805 adopts and will implement this methodology.

Verizon appreciates the opportunity to submit testimony supporting SB 2805.

Respectfully submitted,

A handwritten signature in black ink that reads "John R. Cmelak". The signature is written in a cursive, flowing style.

From: mailinglist@capitol.hawaii.gov
To: [PSMTestimony](#)
Cc: rgausepohl@kauai.gov
Subject: Submitted testimony for SB2805 on Feb 11, 2016 08:30AM
Date: Friday, February 05, 2016 9:54:59 AM

SB2805

Submitted on: 2/5/2016

Testimony for PSM/CPH on Feb 11, 2016 08:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Rob Gausepohl	Individual	Support	No

Comments: I am in support of this bill. Currently prepaid wireless customers do not pay the 66 cents surcharge that other users pay. This bill will impose that 66 cent surcharge on retail transactions of prepaid wireless telecommunications services. This should allow additional revenue to the Enhanced 911 Board for their essential disbursement of funds to each PSAP. There is no doubt that 911 services are expected and essential to modern Police, Fire and Emergency Medical services. This small surcharge to users not presently paying for the service will bring equity in the support of this vital service.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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