

9-1-1 SERVICES ADVISORY BOARD



Report to the Illinois General Assembly

April 1, 2015

March 26, 2015

To the Honorable Members of the 99th General Assembly:

Public Act 98-634 amended the Wireless Emergency Telephone Safety Act (“WETSA”) to reconstitute the 9-1-1 Services Advisory Board (Board), and to charge it with the duty of submitting to the General Assembly, by April 1, 2015, a plan for a statewide shared 9-1-1 network (“Statewide Next Generation 9-1-1”) for all areas of the State outside of municipalities having a population of more than 500,000. As part of the plan, the Board is required to report on nine specific topics outlined in WETSA Section 85(b) (50 ILCS 751/85(b)):

- (1) the structure of the statewide network;
- (2) a plan and timeline for the transition to a statewide network;
- (3) consolidation of 9-1-1 systems and services;
- (4) a plan for the implementation of the Statewide Next Generation 9-1-1;
- (5) a list of costs for which the moneys from the Wireless Service Emergency Fund should not be used;
- (6) the costs necessary for the 9-1-1 systems to adequately function;
- (7) the adequate amount of the wireless surcharge in order to support sufficient 9-1-1 services throughout the State;
- (8) a plan and timeline for the payment of past due Wireless Carrier Reimbursement Fund invoices to wireless carriers; and
- (9) the proper division of responsibilities between the Statewide 9-1-1 Administrator and the Illinois Commerce Commission for the oversight of funding distribution, technological standards, and system plan authorizations, modifications and consolidations going forward..

Since August 2014, the Board has been meeting frequently in Springfield. Based on the Board’s meetings, its review of financial audits submitted by the 9-1-1 systems, and input from the public, the Board respectfully submits this Report with its recommendations as required under Section 85 of WETSA.

The following recommendations relate to all areas of the State outside of Chicago, unless otherwise noted.

Statewide 9-1-1 Network

The Board recommends that the State of Illinois should implement a Statewide Next Generation 9-1-1 Network within 5 years by July 1, 2020.

To accomplish this task, the Illinois Commerce Commission (“ICC”) should conduct two requests for proposals (“RFPs”). The first RFP should be issued by July 1, 2016, and result in the selection of a consultant to conduct a feasibility study on the implementation of a statewide Next Generation 9-1-1 network in Illinois. The study should be completed by July 1, 2017. The second RFP should be issued within 12 months of receiving the consultant’s completed study and result in the ICC contracting with the 9-1-1 system provider who will actually design, build, and potentially share in the operation of the Statewide NG9-1-1 Network. The Network should be completed no later than July 1, 2020.

In the meantime, it is of critical importance to ensure that 9-1-1 services are available on a statewide basis. Currently, there are 9 counties without 9-1-1 service that have never enacted a referendum for a wireline surcharge under the Emergency Telephone System Act, and the 4 counties that have enacted referenda but have yet to create and operate a 9-1-1 system. The Board strongly recommends that the General Assembly mandate the provision of 9-1-1 services within all of these areas by requiring the respective county authorities to join with nearby counties to create joint systems within 2 years.

The Board further recommends that funds be made available to these counties, and through them, to those counties with whom they will create joint systems, through a grant process to be funded as described below.

Consolidation of 9-1-1 Systems and Services

The Board, through extensive discussions including public input at its meetings from many representatives of the 9-1-1 community located throughout the State, has determined that the overall 9-1-1 system would benefit from consolidation across the State, subject to the ability of individual systems to demonstrate that good cause exists for maintaining the status quo.

The Board recommends that by July 1, 2017:

- In any county with a population of at least 250,000 that has a single emergency telephone system board and more than 2 PSAPs, the number of PSAPs must be reduced by at least 50% or to 2 PSAPs, whichever is greater.
- In any county with a population of at least 250,000 that has more than one emergency telephone system board serving a population of less than 25,000 shall be consolidated such that no emergency telephone system board in the county serves a population less than 25,000.
- Any emergency telephone system board that does not have a PSAP within its jurisdiction shall be consolidated through an intergovernmental agreement with an existing emergency telephone system board that has a PSAP to create a joint board.
- In any county with a population of less than 250,000 that has a single emergency telephone system board and more than 2 PSAPs, the number of PSAPs must be reduced by at least 50% or to 2 PSAPs, whichever is greater.
- In any county with a population of less than 250,000 that has more than one emergency telephone system board and more than 2 PSAPs, the boards must be consolidated into a single joint board, and the number of PSAPs must be reduced by at least 50% or to 2 PSAPs, whichever is greater.
- Any emergency telephone system board that does not have a PSAP within its jurisdiction must be consolidated through an intergovernmental agreement with an existing board that has a PSAP.
- The corporate authorities of each county that has no 9-1-1 service must enter into an intergovernmental agreement with an existing emergency telephone system board.

The entities subject to consolidation should submit consolidation plans for approval. An entity could receive a waiver from the consolidation requirement if it could demonstrate that the consolidation would result in a substantial threat to public safety, would be economically unreasonable, or would be technically infeasible.

Surcharges

No topic generated more spirited discussion than this one. Economic conditions and State and local fiscal crises, along with the migration of residents from traditional wireline service to wireless communications services, have combined to put unprecedented pressures on local systems to survive, let alone maintain adequate reserves for current upgrades or plan for future enhancements necessary to support NG9-1-1.

The Board recommends an approach that will:

- Create a unitary statewide surcharge, to be applied on an equitable basis to all purchasers of wireline, postpaid wireless, Interconnected Voice over Internet Protocol (“VoIP”), and cable-provided telecommunications services;
- Centralize the collection of revenues supporting 9-1-1 services, including use of “no sweeps” language to prohibit transfers of surcharge revenues;
- Centralize the payment of network costs for local systems;
- Hold harmless those counties and municipalities whose current wireline rate exceeds the rate of the uniform Statewide surcharge, preventing those revenues from declining below the level of the most recent fiscal year notwithstanding the likely continued migration of customers away from wireline service;
- Fund the Statewide 9-1-1 Board, and provide for staffing expense and for other State expenses necessary to procure NG9-1-1 and to provide and administer discretionary grants that will facilitate consolidation and pave the way for NG9-1-1 at the local level.

The Board recommends that the General Assembly create a uniform statewide monthly surcharge in the amount of \$0.87 per connection for wireline, postpaid wireless, VoIP, and cable-provided telecommunications services, along with a 3% surcharge on prepaid wireless sales.

The revenues collected in this way should be disbursed as follows:

- \$0.012 per surcharge should be distributed to the county 9-1-1 systems in counties with a population of less than 100,000.
- \$0.033 per month placed in the Wireless Carrier Reimbursement Fund to continue to be used to help defray the costs of certain wireless carriers in providing services supporting E9-1-1 around the State, but after 2 years, begin to phase out the reimbursements to carriers over a 5-year period and use the money for grants to local systems;
- \$0.007 per month surcharge to defray administrative expenses of the Illinois Commerce Commission;
- After these disbursements are made, the following disbursements should be made in order of priority:
 - Payment by the ICC of the network costs of all 9-1-1 systems;
 - Monthly payments to local systems that replace, dollar for dollar, the amounts they currently receive under the wireline surcharge created by referendum under Section 15.3 of the ETSA (50 ILCS 750/15.3);
 - The administrative and staffing expenses of the Statewide 9-1-1 Board, and the expense to the State of proceeding with the procurement activities culminating in the creation of Statewide NG9-1-1; and
 - Grants to local systems that will create E9-1-1 coverage where none exists, promote consolidation, and prepare local systems for the move to NG9-1-1.

Surcharge Expenditures

The Board discussed this topic on several occasions, and reviewed the language defining allowable costs in both Section 15.4(c) of the ETSA (50 ILCS 750/15.4(c)) and in Section 20 of the WETSA (50 ILCS 751/20). The simple fact is that there are hundreds of types of expenditures that are necessary to create and maintain a 9-1-1 system, and to permit the types of communications with emergency responders in the field that allow the system to function optimally. Many types of costs should be, and are, shared between 9-1-1 systems and the public safety agencies and private first responders with whom they communicate.

The Board also reviewed lists of expenditures submitted by the 9-1-1 systems with their financial reports. At this time, the Board does not recommend any change to the current list of expenditures allowed under the ETSA and WETSA.

The Board believes the 9-1-1 systems should continue to provide financial audits to the ICC by October 1st of each year. The audits should include a list of expenditures made from surcharge revenues to ensure transparency and compliance with the law.

Wireless Carrier Reimbursement Fund

The Wireless Carrier Reimbursement Fund (“WCRF”) was established to provide for reimbursement to wireless carriers for any costs incurred (upon submission of sworn invoices to the ICC) for technical updates to their equipment to meet the Federal Communication Commission’s location requirements. The amount of the wireless surcharge deposited into the WCRF has varied over time; for surcharges collected since July 1, 2014, the amount deposited into the WCRF has been \$0.05. Of these funds, prior to July 2004, carriers could receive up to 125 percent of the surcharge amounts they had deposited into the fund. Between July 2004 and June 2014, carriers could receive reimbursement for 9-1-1 related expenses up to 100 percent of what they had deposited into the fund, but that limitation was removed by Public Act 98-634, effective June 6, 2014.

As of April 2014, the outstanding reimbursement requests for wireless carriers was approximately \$8.1 million. The ICC’s FY 2015 appropriation (P.A. 98-679, effective July 1, 2014) contained spending authority in the amount of \$5,689,800 from the Wireless Carrier Reimbursement Fund, from which the bulk of the \$8.1 million reimbursement requests was paid. As of February 1, 2015, the balance in the Wireless Carrier Reimbursement Fund is approximately \$4.5 million, and the amount of approved invoices awaiting reimbursement is approximately \$3.5 million. The Commission Staff intends to work with the appropriate executive and legislative budgeting authorities to seek a supplemental Fiscal Year 2015 appropriation and a Fiscal Year 2016 appropriation from the WCRF to pay approved invoices.

The Board recommends that the WCRF be eliminated by July 1, 2022. After its elimination, wireless carriers should be able to deduct 3% of the surcharge to pay for administrative costs in the same manner as wireline carriers.

Proper Division of Regulatory Responsibilities

The Board believes that the Illinois Commerce Commission should maintain its current role in overseeing funding distribution and the regulatory oversight of the 9-1-1 systems, including maintaining technological standards and reviewing plans for consolidation and system changes. However, a Statewide 9-1-1 Board should be created within the ICC to, at the very least, provide assistance with the

development of the Statewide NG9-1-1 network, review and approval of 9-1-1 system consolidation plans, and review and approval of consolidation and NG9-1-1 infrastructure grants. The Statewide 9-1-1 Board should include representatives from the ICC, the Department of State Police, various sized 9-1-1 systems, and public safety agencies.

However, the precise outline of the Board's makeup, powers, duties, and administrative structure will require additional consideration of the General Assembly and the Governor.

Conclusion

The 9-1-1 Services Advisory Board appreciates this opportunity to offer its advice in this critical endeavor, is deeply appreciative of the extensive public input we have received, and looks forward to working with the General Assembly as it enacts legislation that will make Statewide NG9-1-1 a reality for the citizens of the State of Illinois.

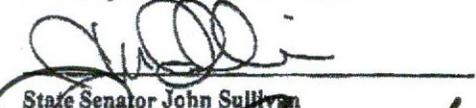
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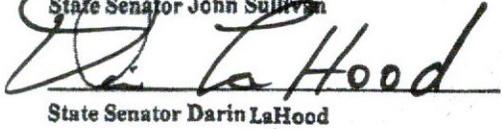
State Representative John Bradley



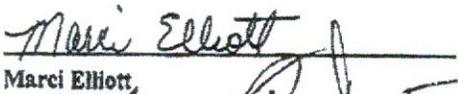
State Representative Don Moffitt



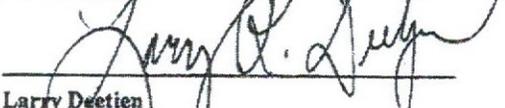
State Senator John Sullivan



State Senator Darin LaHood



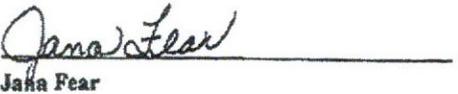
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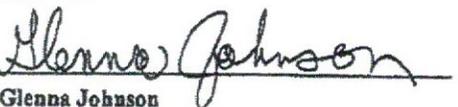
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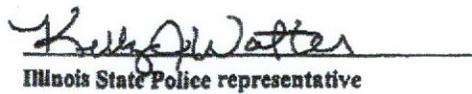
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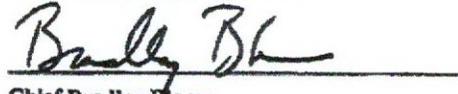
Colleen Wright



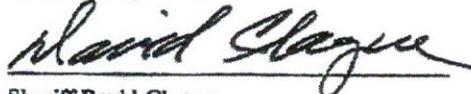
Karen Boswell



Illinois State Police representative



Chief Bradley Bloom



Sheriff David Clague