



BCC 2014-101  
August 5, 2014

PHONE: (406) 258-4877  
FAX: (406) 721-4043

Senator Cliff Larsen, Chair  
Energy Telecommunications Interim Committee (ETIC)  
P.O. Box 201706  
Helena, MT 59620-1706

**RE: 9-1-1 FUNDING**

Dear Chairman Larsen and Members of the ETIC:

Thank you for the opportunity to comment on the draft bill regarding "stranded 9-1-1 funds." We appreciate the work of the interim committee and staff on this draft bill and we believe that the draft and prior testimony captures the needs of 9-1-1 centers across Montana.

Missoula County would like to request that the committee consider two suggestions for revisions to the language in the bill. The current law, MCA 10-4-313, sets the distribution of funds to local governments by establishing 9-1-1 jurisdictions. These jurisdictions follow the boundaries used by 9-1-1 centers. As you know, there are several consolidated 9-1-1 centers in Montana, as well as several 9-1-1 centers that cover tribal lands within the state. As proposed in the current bill draft, distribution of these funds would use county boundaries, rather than the current established 9-1-1 jurisdictions. Missoula is concerned that the use of county boundaries will not provide equitable funding to Montana's four tribal 9-1-1 centers. To remedy this, Missoula County believes the simplest solution would be to use the existing 9-1-1 jurisdictional language from MCA 10-4-313 for the draft bill, thereby ensuring that every 9-1-1 center receives equitable funding.

The second request is that the committee considers shortening the disbursement timeframe from the proposed 5-year disbursements (after 2020) to a 2-year disbursement period, in order to coincide with Montana's legislative sessions. As the committee is aware, these funds will continue to grow each year. Missoula County believes a 2-year disbursement schedule is more fitting with the draft legislation, as it will better serve to avoid accruing high account balances.

Again, we appreciate the opportunity to comment on the "stranded 9-1-1 funds" proposed legislation. If you have any questions or concerns, please feel free to contact our office.

Best Regards,  
BOARD OF COUNTY COMMISSIONERS

  
\_\_\_\_\_  
Jean Curtiss, Chair

  
\_\_\_\_\_  
Bill Carey, Commissioner

**NOT AVAILABLE FOR SIGNATURE**  
\_\_\_\_\_  
Michele Landquist, Commissioner

## Nowakowski, Sonja

---

**From:** Erin Lutts <Erin.Lutts@midrivers.coop>  
**Sent:** Wednesday, August 20, 2014 8:53 AM  
**To:** Nowakowski, Sonja  
**Cc:** (ajolson@midrivers.com); Bill Wade  
**Subject:** 9-1-1 Funding

**Importance:** High

Sonja,

As we discussed on the phone yesterday, Mid-Rivers and MITS met with Senator Olson regarding the “Stranded” 9-1-1 Funds and the draft legislation proposed at the last ETIC meeting. During our meeting, the Senator expressed support for the points raised, and had some very good ideas regarding how to address them in legislation in a manner that should be capable of consensus from the Committee and all Montana providers. He asked that I share the details of what we discussed with you so that these additional provisions can be incorporated into your draft for discussion at the September 8 meeting. I believe the points below should give you a good start but if you have questions or concerns please let me know.

- Expand the provider allowable cost definition (MCA 10-4-101(1)), to allow more of the provider funds to be spent by providers for improving 9-1-1 access in Montana. This may be as simple as striking some of the existing language from the current definition, such as:

**10-4-101. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Allowable costs" means the actual costs associated with ~~upgrading, purchasing, programming, installing, testing, operating, and maintaining data, hardware, and software necessary to comply with federal communications commission orders for the delivery of 9-1-1 calls and data as set forth in 47 CFR 20.18.~~

- Include provisions specifically allowing a portion of the provider fund to be used in improving the public’s ability to place a 9-1-1 call in areas that are currently unserved, incorporating sideboards with a specific definition of “unserved” so the dollars can only be spent in the most rural and truly unserved areas where there is no signal to make a 9-1-1 call today. A possible definition to start with: “‘*Unserved areas*’ are geographic areas in Montana where no signal is currently available for the initiation and delivery of 9-1-1 calls and data, and may not include more than a 20% overlap with surrounding served areas on a geographic coverage basis.”
- Before the proposed sweep of remaining provider fund balances is conducted, require providers to submit a plan for proposed expenditures associated with the expansion of service into unserved areas during the coming year, with approved amounts put in a reserve taken from the balance of the entire provider fund (not by individual jurisdiction). Funds necessary to carry out approved plans are obligated and held in a reserve prior to the “sweep” proposed by the ETIC legislation (funds obligated for the reserves are not able to be swept). The reserved funds are held for later draw-down through the existing reimbursement process based on actual costs. Provider plans must be submitted by a certain date each year (June 30 may be appropriate to allow time for review before the sweep is scheduled to occur) to be considered for the unserved reserve fund.

I am sure there are a lot of details that will need to be clarified to get these ideas incorporated into statute, and I am more than willing to serve as a resource if I can assist in any way. Thank you for the opportunity to provide input into this process!

Erin

Erin Lutts  
External Relations Manager  
213 W. Benham  
Glendive, MT 59330  
Phone: (406) 377-7438  
[Erin.Lutts@midrivers.coop](mailto:Erin.Lutts@midrivers.coop)





Providing Professional Services to  
the Telecommunications Industry Since 1994

August 20, 2014

Sonja Nowakowski  
Research Analysis  
Legislative Services Division  
State Capitol  
Helena, MT 59620

Dear Ms. Nowakowski:

Thank you for the opportunity for preliminary comments on the draft bill, LCET02, distributed July 23, 2014.

As envisioned by the Energy and Telecommunications Interim Committee, the draft bill has generated a great deal of discussion and conversations among public safety stakeholders including those within the telecommunications industry. Our comments at this time are general rather than specific; however, we will be offering more detailed testimony at the September 8, 2014 ETIC meeting in Helena.

The fundamental purpose of 911 is to ensure that anyone dialing 9-1-1 reaches a communications provider which in turn transports and delivers the call to a public safety answering point for dispatch of a first responder. Montana providers and Montana PSAPs have made significant progress in moving towards that goal. However, there is not yet ubiquitous consumer access to 911 and emergency response.

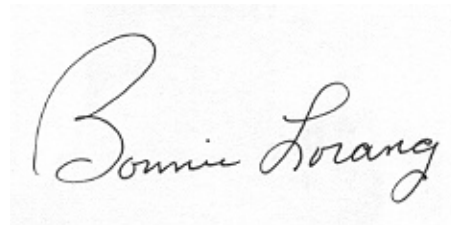
There continues to be a need for cost recovery for both wireless providers and PSAPs. We urge the Committee to consider the consumer needs for E911 access prior to sweeping wireless provider funds to the PSAP accounts. Wireless access to E911 is linked at the hip to wireless coverage and wireless infrastructure which are extremely costly, especially in the very rural areas of Montana.

The current statutory definition of "Allowable Costs" is a major barrier to increasing wireless E911 access. MITS supports the expansion of the definition of allowable costs to increase access to 911 in the unserved frontier and remote areas of our state.

2021 11th Avenue, Suite 12, Helena, MT 59601  
Mobile: 406.594.9662 / Office: 406.443.1940/ Fax: 1.866.797.3138  
E-Mail: [blorang@mitstel.com](mailto:blorang@mitstel.com) / Web Site: [www.mitstel.com](http://www.mitstel.com)

Our remoteness underscores the importance of public-private partnerships. Public safety stakeholders are engaged in discussions on how to increase public safety access by leveraging assets to achieve reliable and sustainable communications without overbuilding existing private networks.

Sincerely,

A handwritten signature in cursive script that reads "Bonnie Lorang". The signature is written in black ink on a light-colored background.

Bonnie Lorang, General Manager  
MT Independent Telecommunications Systems, LLC

*MITS provides professional services to Montana's rural telecommunications companies including Nemont Communications (Scobey), Triangle Communications (Havre), Northern Telephone (Sunburst), InterBel Telephone (Eureka), and Mid-Rivers Communications (Circle).*

## Nowakowski, Sonja

---

**From:** Geoff Feiss <gfeiss@telecomassn.org>  
**Sent:** Friday, September 05, 2014 10:36 AM  
**To:** Nowakowski, Sonja  
**Subject:** FW: 911 Stranded Funds  
**Attachments:** 911 Stranded Funds-MTA principles-fnl, 090414.pdf

Hi Sonja,

I sent the note, below, with attachment to members of ETIC this morning. Sorry I won't be attending Monday's ETIC meeting. I was looking forward to it.

Please let me know if you have any questions.

Best regards,

Geoff Feiss  
Montana Telecommunications Association  
406.442.4316 (office)  
406.594.0424 (mobile)



*Serving Montana's telecommunications industry since 1955*

NOTE: this communication may contain confidential and privileged material not intended for use or dissemination beyond the recipient.

----- Forwarded Message

**From:** Geoff Feiss <[gfeiss@telecomassn.org](mailto:gfeiss@telecomassn.org)>  
**Date:** Fri, 05 Sep 2014 10:14:47 -0600  
**To:** Cliff Larsen <[cliff@larsenusa.com](mailto:cliff@larsenusa.com)>  
**Conversation:** 911 Stranded Funds  
**Subject:** 911 Stranded Funds

Dear Senator Larsen,

I had intended to attend the ETIC meeting on Monday (September 8) to participate in the Committee's discussion of LCet02, the Committee's draft legislation to revise the distribution of 911 funds to counties.

Regrettably, I now need to be in Hamilton on Monday to attend a funeral and thus will be unable to attend the ETIC meeting in person.

MTA remains very interested in the discussion of the use of 911 stranded funds, however. In this regard, MTA has developed the attached principles that we hope will guide the committee's deliberations.

Briefly, we're not opposed to directing stranded funds to counties or other parties for their directly related 911 implementation costs. In fact, MTA's principles are based on the policy premise that 911 funds should be used for directly related 911 expenses for which the Fund is intended. Allowable costs should be clearly defined and limited to 911 purposes. Otherwise, we risk putting the 911 Fund on a slippery slope of supporting "related" expenses, however that may be defined. (We oppose diluting the definition of "allowable costs" for just this reason, as we did in the 2013 Legislative Session.)

If other parties, including MTA, or the Legislature are interested in using money in the 911 Fund for other purposes (e.g., wireless and/or broadband deployment), MTA enthusiastically will engage in that conversation. In fact, the time may be right to explore such alternative uses of the 911 Fund (or reduce the size of the Fund, or both). However, to preserve the integrity of the 911 Program, the discussion regarding the use of 911 funds for non-911 directly-related purposes needs to take place separately from any 911 funding legislation.

Again, I regret I cannot participate in person in Monday's discussion of 911 stranded funds. Please let me know if you have any questions or concerns. I look forward to the conversation!

Best regards,

Geoff Feiss  
Montana Telecommunications Association  
406.442.4316 (office)  
406.594.0424 (mobile)



*Serving Montana's telecommunications industry since 1955*

NOTE: this communication may contain confidential and privileged material not intended for use or dissemination beyond the recipient.

----- End of Forwarded Message



MONTANA  
TELECOMMUNICATIONS  
ASSOCIATION

Energy and Telecommunications Interim Committee  
911 Stranded Funds: MTA Principles  
September 8, 2014

- 911 serves a valuable public purpose. The 911 fee and state special revenue account (Fund) should be maintained and operated in the most cost effective manner feasible to public faith in the integrity of the 911 Program.
- 911 funds should be used for 911 purposes only. The 911 Fund is not an invitation to invent ways to spend money because money is there.
- Costs should be directly related to the costs of implementing 911 functionality.
  - allowable costs by both 911 jurisdictions and providers should be closely scrutinized and audited regularly;
  - allocating funds on the basis of per capita population, or providing a guaranteed minimum allocation has no direct relationship to actual costs incurred.
- Funding wireless, wireline, or other infrastructure or “related” expenses for communications network facilities or services is not a function of the 911 account.
  - Consumers pay into the 911 fund not to build wireless networks, or to subsidize telecom providers or local governments, but to support the costs of providing 911 service.
  - Opening the 911 Fund for “other” or “related” investments (for example, wireless infrastructure) places the 911 Fund on a slippery slope that quickly leads to using the 911 money for purposes for which it is not intended.
- If parties are interested in tapping the 911 Fund to support other purposes (e.g., broadband or wireless build-out) the Legislature should open a separate public policy discussion using normal, transparent Legislative procedure.
  - MTA would be pleased to help frame such a discussion on broadband deployment incentives. In fact, the time may be ripe for such a discussion.
- If too much money is collected by the 911 fee (an obvious fact given the surplus in the account), then the fee could be reduced, rather than over-collecting revenues from ratepayers.
- 911 “features” as used in the ETIC draft needs to be defined carefully.
- Montana’s 911 statute is convoluted, arcane and complicated far beyond any reasonable necessity. It should and can be simplified significantly.
  - Why distinguish between basic, enhanced, wireless?
  - Why automatically allocate money without regard to actual direct costs?
  - Why impose a fee that has no relationship to actual costs or expenditures?