

SUBJECT: Transferring 911 fee assessment authority to the Public Utility Commission

COMMITTEE: Public Safety — committee substitute recommended

VOTE: 5 ayes — Oakley, Driver, Keel, Keffer, Olivo

2 nays — Carter, E. Reyna

1 present, not voting — Madden

1 absent — McClendon

WITNESSES: For — None

Against — None

On — Pat Wood, Public Utility Commission; June Zivley, Comptroller's Office

BACKGROUND : The Advisory Commission on State Emergency Communications (ACSEC) sets the fee used to provide 911 service. Although the fee cannot be more than 50 cents per month per line and may differ from region to region depending on the cost of providing the service, the commission has always set the fee at the maximum allowable rate of 50 cents for all regions. The commission also sets and collects a surcharge on intrastate long-distance service of .013 percent of charges. This surcharge is used by the commission to supplement the service fee in regions that cannot collect enough to maintain 911 service and by the Department of Health for grants to poison control centers.

Regional 911 programs are operated by regional planning councils under the direction of area Council of Governments (COGs) with funding from the service and surcharge fees imposed by the advisory commission. The advisory commission estimates 911 service fees will generate about \$35 million in fiscal 1998-99.

All counties in Texas, except Crockett, have a 911 network; Crockett County is scheduled to implement its network in about one year.

**DIGEST:** CSHB 1668 would repeal the advisory commission's authority to set 911 service rates and give the Public Utility Commission (PUC) final rate setting authority for the 911 service charge and surcharge. The PUC could set the 911 service fee at varying rates below the 50 cent cap.

The 911 advisory commission would recommend rates to the PUC, which could choose to set alternate rates if it considered the recommended rates to be inappropriate. The PUC would be required to state the reasons for not adopting the rate recommended by the advisory commission. The PUC could set the rates at an informal proceeding.

The state comptroller could audit telephone companies providing 911 service for compliance with 911 laws. If requested by the PUC, the state auditor could audit a regional planning commission or other public agency receiving 911 funds. The audit would be limited to collection and expenditure of 911 funds.

The bill would require the PUC to review the 911 service and surcharge rates and allocations and set the rates and allocations before September 1, 1998.

CSHB 1668 would take immediate effect if finally approved by a two-thirds record vote of the membership of each house.

**SUPPORTERS SAY:** By transferring ultimate authority to set 911 service rates to the PUC and allowing the state auditor to audit the collection and use of 911 funds at the regional level, CSHB 1668 would provide the oversight and accountability necessary to ensure that state-mandated fees are properly collected and spent for the purpose for which they are intended.

The 911 commission would still make rate recommendations, and the PUC would have the responsibility of reviewing the rates and would only alter the rates for good reason. The PUC and the advisory commission would work hand-in-hand to make sure rate payers pay no more than needed to maintain the 911 system, now that it is up and running.

It is only logical for the PUC, which is the telecommunications rate-making body, to also have final say on the rates for 911 fees.

OPPONENTS  
SAY:

Requiring the PUC to reexamine 911 rate setting recommendations would inject an unnecessary layer of bureaucracy to an enterprise that is operating well. The 911 advisory commission has done a good job in setting 911 rates and should not be second guessed by the PUC.

The 911 service rate has always been set at the 50-cent maximum level because it was expensive to implement the 911 network. Now that the network is nearly competed, there is no reason to suppose that the advisory commission would not allow the rates to vary from region to region.

NOTES:

The original version of HB 1668 would have required the state auditor to audit regional planning commissions or other agencies receiving 911 money every four years.