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October 29, 2009

Frank Landis, Chairman  
Nebraska Public Service Commission  
1200 N Street, Suite 300  
Lincoln, NE 68508

RE: Application No. 911-019/PI-118 – Order of September 22, 2009

Dear Chairman Landis:

Application No. 911-019/PI-118 proposes funding for wireless 911 to be paid directly to PSAPs (public safety answering points), rather than the current practice of the Public Service Commission (PSC) making payments to vendors on behalf of PSAPs. These comments are directed toward an Order entered September 22, 2009 that revises and expands issues presented in a July 7, 2009 Order. While the specific needs of each county may differ, these comments reflect the general concerns of counties. Please consider these comments for the record.

The September 22 Order proposes that the PSC will set aside 75 percent of each PSAPs annual funding for future equipment and maintenance purchases. While counties recognize that budgeting for future expenditures is necessary and appropriate, retention of a sizeable percentage of the funds by the Public Service Commission is not beneficial to all counties. For example, a county planning for a future equipment purchase may wish to carry over the funding until it is needed in a future year. As drafted, the order does not authorize carrying funds allocated to a particular county from one fiscal year to the next. In contrast, if a county receives the full allocation, it can spend or retain the money as necessary.

In addition, as noted in NACO's comments on the July Order, as the state faces a revenue shortfall, a large balance in a Commission fund may be a target for a transfer to the state budget. While it may be argued that earmarks will protect reserved PSAP funds, past experience has not always shown that to be the case with funds held by other agencies.

If the Commission pursues the funding proposal set out in the order, counties ask for the consideration of several items:

- Expand the list of approved expenditures from equipment and maintenance to include training in the operation of said equipment. Training and equipment costs may be rolled into a single charge that cannot be separated for purposes of wireless surcharge funding.
- Address the limitation of wireless funding for no more than 55 percent of the equipment and/or software. While such a limitation may be appropriate based on functionalities in existing software and equipment, it is not clear how the next generation of wireless and wireline 911 software and equipment will operate. This requirement should be removed or at minimum revisited when new equipment and software is developed.
- Develop a list of approved equipment and software. If the Commission retains regulatory authority over the types of equipment and software that can be purchased, it should provide a list of approved equipment and materials, particularly as the next generation is developed.
- Develop a process for spending wireless surcharge funds on unplanned purchases in the event of an emergency. The Order requires all funding requests to be submitted by October 15 prior to the purchase of equipment or software in the coming year. Should a system crash or be destroyed in a tornado, for example, a PSAP may need to access all potential sources of funding to reactivate emergency services. The initial Order referenced a grant fund that could be used to help recover from catastrophic events.

In conclusion, counties support the continued use of wireless surcharge funds to help implement Phase II and next generation wireless 911 equipment and software. Counties have concerns that the issues presented in the September 22 Order would create a bifurcated system that is difficult for counties to comply with due to rigorous PSC oversight in some areas and limited guidance in others.

NACO appreciates the efforts of the Commission and its staff in providing opportunities to comment on Application No. 911-019/PI-118 and the September 22, 2009 Order.

Sincerely,



Larry J. Dix  
Executive Director