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STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
PUBLIC SERVICE COMMISSION

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March 23, 2010

Mr. James Arden Barnett, Jr., Chief
Public Safety and Homeland Security Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: New and Emerging Technologies Improvement Act of 2008

Dear Mr. Barnett:

Please accept the joint filing of the Michigan Public Service Commission (MPSC) and the Michigan State Police (MSP) as response to the Federal Communications Commission's request, dated February 5, 2010, in regard to the NET911 Act.

The Michigan Emergency 9-1-1 Services Enabling Act provides for funding of 9-1-1 services in Michigan. Two funding mechanisms, a State of Michigan 9-1-1 charge and individual county 9-1-1 surcharges, are currently being collected by all communications providers serving Michigan customers on all devices. In addition, carriers collect technical surcharges to cover their costs for providing access to 9-1-1 dispatch centers.

If you need further information regarding the State of Michigan's 9-1-1 funding system, please do not hesitate to contact either of us at (517) 241-6200 for the Michigan Public Service Commission, Telecommunications Division, or (517) 336-2666 for the Michigan State Police, State 9-1-1 Office.

Sincerely yours,

Robin P. Ancona, Director
Telecommunications Division

Harriet Miller-Brown
State 9-1-1 Administrator

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1. A statement as to whether or not your State, or any political subdivision, Indian tribe, village or regional corporation therein as defined by Section 6(f)(2) of the NET 911 Act, has established a funding mechanism designated for or imposed for the purposes of 911 or E911 support or implementation (including a citation to the legal authority for such mechanism).

ANSWER: The Michigan Emergency 9-1-1 Services Enabling Act (Act 32 of 1986, as amended) provides funding in the following ways:

- Michigan's state 9-1-1 charge is currently \$0.19 per communications device per month. The level of funding is determined by the Michigan Public Service Commission, in consultation with the Michigan State 9-1-1 Committee. Sec. 401(a)
- Each of the 83 Michigan counties has the opportunity to assess a county-wide surcharge on all communications devices billed to an address in their county. Sixty-seven (67) counties requested surcharge approval by the Michigan Public Service Commission in January 2008. With passage of PA 379 in December 2008, counties also have the opportunity to request additional funds from their citizens to support county 9-1-1 services. Sec. 401(b)
- Prepaid wireless communications devices are mandated to remit a combination of the state 9-1-1 surcharge and a weighted average of the cumulative county surcharges, collected from their customers, to the Michigan Department of Treasury. Two remittance equations are defined in the statute. Sec. 401(c)
- Communications providers are able to recover their costs through a 9-1-1 technical charge on customer bills. Sec. 401(d)

2. The amount of fees or charges imposed for the implementation and support of 911 and E911 services, and the total amount collected pursuant to the assessed fees or charges, for the annual period ending December 31, 2009.

- The total amount collected through a county-based 9-1-1 surcharge by sixty-seven (67) Michigan counties is \$65,881,869.64.
- The total amount collected by the Michigan Department of Treasury, for 9-1-1 purposes during 2009, is \$27,118,262.60.

A statement describing how funds collected are made available to localities, and whether your state has established written criteria regarding the allowable uses of the collected funds, including the legal citation to such criteria.

ANSWER:

- Each Michigan county receives an 82.5% share of the total Michigan state 9-1-1 charge and the prepaid device 9-1-1 charge, remitted based on Section 401(a) and 401(b). Sec. 408(4)(a).
- Communications providers remit county 9-1-1 surcharge monies directly to Michigan counties. (Link: <http://www.dleg.state.mi.us/mpsc/comm/911index/911charges.pdf>) Sec. 401(b)(6)
- The Michigan 9-1-1 Committee developed a list of Allowable Wireless and Wireline 9-1-1 Surcharge Expenditures. In accordance with PA 379 of 2008, any changes made to the document language must be transmitted to the Michigan Legislature. Sec. 401(b)(14) (link: http://www.michigan.gov/documents/ListingofAllowable_14259_7.pdf)

3. A statement identifying any entity in your State that has the authority to approve the expenditure of funds collected for 911 or E911 purposes, and a description of any oversight procedures established to determine that collected funds have been made available or used for the purposes designated by the funding mechanism, or otherwise used to implement or support 911 or E911.

ANSWER:

- Currently, the Michigan 9-1-1 Committee's list of Allowable Wireless and Wireline 9-1-1 Surcharge Expenditures is being used by counties to determine allowable expenses. (link: http://www.michigan.gov/documents/ListingofAllowable_14259_7.pdf) In accordance with PA 379 of 2008, any changes made to the document language must be transmitted to the Michigan Legislature. Sec. 401(b)(14)
- The Michigan Public Service Commission, in consultation with the Michigan 9-1-1 Committee, may promulgate rules for uniform procedures, policies, and standards for the receipt and expenditure of 9-1-1 funds. Sec. 413(1)(c)
- The Michigan Department of Treasury is under the audit powers of the Michigan Auditor General.
- Each Michigan County is required to have an annual audit by an independent auditor, and must have the audit available for public inspection. Sec. 406(3)
- Each wireline carrier may collect a technical fee for costs related to providing 9-1-1 per Sec. 401d and is subject to an annual accounting under Sec. 412a.

4. A statement whether all funds collected for 911 or E911 purposes have been made available or used for the purposes designated by the funding mechanism, or otherwise used for the implementation or support of 911 or E911.

ANSWER:

- Michigan's Emergency 9-1-1 Services Enabling Act allows also for:

- \$500,000 to the Michigan State Police to study the feasibility of an IP-based 9-1-1 system for the State of Michigan. The study was completed in December 2009. Sec. 408(5)
- 7.75% of the Michigan 9-1-1 charges collected is available for to reimburse local exchange carriers for costs related to wireless emergency services. Sec. 408(4)(b)
- 1.88% of the Michigan 9-1-1 charges collected for the Michigan State Police to operate a regional dispatch center. Sec. 408(4)(d)
- 1.87% of the Michigan 9-1-1 charges collected for the Michigan State Police to administer the 9-1-1 Act and maintain the office of the state 9-1-1 coordinator. Sec. 408(4)(d)
- 6% of the Michigan 9-1-1 charges go directly to the PSAPs for training funds for PSAP personnel. Sec. 408(4)(c).

5. A statement identifying what amount of funds collected for 911 or E911 purposes were made available or used for any purposes other than the ones designated by the funding mechanism or used for purposes otherwise unrelated to 911 or E911 implementation or support, including a statement identifying the unrelated purposes for which the funds collected for 911 or E911 purposes were made available or used.

ANSWER:

- During 2009, the Michigan Public Service Commission and the Michigan State Police did not authorize any instances where funds collected for 911 or E911 purposes were allowed to be used for purposes unrelated to 911 or E911.

6. Any other comments you may wish to provide regarding the applicable funding mechanism for 911 or E911.

ANSWER:

- We have no further comments.