



KANSAS

DEPARTMENT OF TRANSPORTATION
DEB MILLER, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

TESTIMONY BEFORE THE SENATE COMMITTEE ON UTILITIES

REGARDING HOUSE BILL 2756 COMMUNICATION SYSTEM EQUIPMENT LEASE

March 3, 2004

Mr. Chairman and Members of the Committee:

I am Deb Miller, Secretary of the Kansas Department of Transportation (KDOT). I would like to thank you for the opportunity to provide testimony regarding HB 2756 this morning.

KDOT has been exploring new opportunities for providing communications to the current and future users of the statewide 800 MHz radio communications system operated and maintained by this agency. Our initiative contemplates 1) the opportunity for potential users to secure appropriate radio equipment through lease agreements, 2) the utilization of existing tower structures for additional communication systems, and 3) the enhancement of statewide safety and security through the application of next generation 800 MHz technology. In a recent presentation given by KDOT to interested members of the legislature, stakeholders, as well as the Governor's Homeland Security Council, this change in KDOT's 800 MHz radio communication policy was presented. To actually implement this proposed statewide system enhancing public safety and Kansas security requires the enabling legislation found in House Bill 2756.

House Bill 2756 establishes a state communication system enterprise or revolving fund and authorizes the establishment of rates for leasing communication system equipment and access to such equipment. The bill further provides for the issuance of revenue bonds as necessary for the operation of the fund. It is impossible to determine the amount of or the need for these bonds at this point in time but is provided as an optional funding source. Debt service for such bonds would be paid from lease revenues. The bill would permit the enhancement of the existing communication system by making it available to additional users with priority being given to public safety agencies. In addition, the infrastructure, to the extent that capacity exists, would also be made available to others.

In an effort to greatly enhance our ability to serve the needs of Kansans, KDOT is recommending a change to current policies concerning how the statewide 800 MHz radio communications system is utilized. KDOT is proposing implementation of an "open"

policy to improve overall utilization of the 800 MHz radio infrastructure. This agency strongly believes this “open” policy approach will greatly enhance the ability for governmental agencies (both state and local), public safety entities, and potential private organizations to take advantage of current KDOT 800 MHz resources to meet their needs through utilization of both 800 MHz and non-800 MHz communication equipment. To facilitate this change and to establish the operational framework necessary to implement the new policies, KDOT has brought a consultant on board to assist us in our efforts. In a more perfect world, KDOT would have wanted the consultant’s work to have been completed at this stage. However, in order to move the program forward due to the high level of interest, the authorizing legislation has been drafted broadly to provide the necessary flexibility for successful implementation.

It is anticipated that various funding methods for this “open” approach will be necessary to provide the appropriate support, maintenance, and enhancements to the 800 MHz radio system. Currently, KDOT envisions utilizing a fee-for-service program to help provide a funding mechanism for the statewide 800 MHz radio communications system in addition to the implementation of an enterprise fund. The enterprise fund will be utilized to provide the opportunity to governmental agencies (both state and local) and public safety entities to acquire 800 MHz radio equipment and participate in the system by leasing the equipment through KDOT.

KDOT truly appreciates the support shown by this committee and other parties to the “open” policy concept discussed previously for utilization of the statewide 800 MHz communication system. This “open” approach provides rare opportunities for many governmental (state and local), public safety entities, and private organizations to accomplish their communication goals while enhancing their ability to better serve the needs of Kansans. KDOT is in strong support of HB 2756 and requests your favorable consideration of the bill.