

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE

Tuesday, August 5, 2008
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Rich Wardner, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Rich Wardner, John M. Andrist, Robert M. Horne, Ryan M. Taylor, Ben Tollefson, Herbert Urlacher; Representatives Wesley R. Belter, Scot Kelsh, Matthew M. Klein, Shirley Meyer, Todd Porter

Member absent: Representative Dave Weiler

Others present: See [Appendix A](#)

It was moved by Representative Klein, seconded by Representative Meyer, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

WIND TOWER SITING

Mr. Gary Hoffman, Ashley, North Dakota, presented written testimony ([Appendix B](#)) in favor of state regulation of wind tower setbacks. He said if setbacks were regulated at the state level, setbacks would not be a competitive issue for wind projects among counties. He said setbacks should apply no matter what the size of the wind farm. He said he was concerned with speculation related to wind tower easements and protections for landowners, especially if a company that purchased an easement dissolved its business. He said there needs to be an exit strategy that includes financial assurances for reclamation.

In response to a question from Senator Wardner, Mr. Hoffman said the Public Service Commission has a megawatt threshold for the application of siting rules.

Representative Porter said if the siting threshold were lowered, this state would not be competitive with South Dakota. In addition, he said, the lowering of the threshold would take control away from local government.

In response to a question from Representative Porter, Mr. Hoffman said the Legislative Assembly needs to focus on the rights of North Dakota landowners.

In response to a question from Representative Porter, Mr. Hoffman said easement agreements address the issues he raised, but rules would provide for the backing of the power of the state to enforce important easement provisions.

In response to a question from Senator Wardner, Mr. Hoffman said a uniform rule would provide orderly and consistent development of this new industry.

Senator Wardner said counties and townships are struggling to provide rules for wind tower siting and the situation would be better with a uniform rule.

Ms. Genevieve Thompson, North Dakota Chapter of The Wildlife Society, provided a handout entitled *White Paper on the Impacts of Wind Facilities on Wildlife, Short Version* ([Appendix C](#)) and gave a presentation on issues with wind power and birds in native grasslands. She said there has been a high level of decline of birds in native grasslands. She said The Wildlife Society is focusing on indirect impacts like habitat fragmentation, not direct impacts like collisions with propellers. She said roads placed on native prairies increase predation and brood parasitism. She said where there are wind towers there is no hunting allowed and people do not engage in birding. She said the Northern Plains Wind Energy Forum was established to promote wind power and safeguard wildlife through voluntary standards. She said there may need to be drivers to incentivize companies to follow the guidelines. She said there should be guidelines drafted before the next construction season.

In response to a question from Representative Belter, Ms. Thompson said the planting of grass for cellulosic ethanol is not part of these guidelines. She said if cellulosic ethanol becomes a preferred method of producing ethanol, she hopes there is a conservation reserve-type program for plants to produce cellulosic ethanol that also improves habitat.

In response to a question from Senator Horne, Ms. Thompson said the guidelines being drafted are voluntary. She said the guidelines have been drafted with involvement of the major wind power developers in this state. She said the concern is not with these companies but with the companies that are not at the table which may be more motivated to develop sensitive areas without a concern for wildlife.

In response to a question from Senator Wardner, Ms. Thompson said there may have to be a way to provide an incentive for a person with good wind and great habitat not to develop the wind power.

In response to a question from Senator Urlacher, Ms. Thompson said the North Dakota Farmers Union helped in the creation of the guidelines. She said once there is a draft, open house sessions that invite landowners will be held throughout the state.

FEDERAL ENERGY LEGISLATION

Ms. Sandi Tabor, General Counsel, Lignite Energy Council, made a presentation ([Appendix D](#)) on legislation at the federal level. She said the Lieberman-Warner bill is dead. She said she does not expect a new bill that relates to cap and trade legislation until 2010.

In response to a question from Senator Andrist, Ms. Tabor said usage studies show coal-based electricity stagnant until 2030. She said studies show that between now and 2030 there will be steep increases in natural gas usage. She said by 2020 one reputable study shows a 44 percent increase in electricity cost.

Representative Belter said the demand for natural gas has increased his prepaid fertilizer cost from \$80 an acre in 2008 to \$180 an acre in 2009.

In response to a question from Senator Horne, Ms. Tabor said until there is predictability as to carbon sequestration, it is difficult for power companies to build coal-fired plants. She said the growth in demand for electricity in Minnesota is over 5 percent per year.

In response to a question from Senator Tollefson, Ms. Tabor said nuclear energy is being looked at closely to address carbon issues. She said the water requirements for nuclear energy are quite large.

In response to a question from Senator Tollefson, Ms. Tabor said there is extensive literature stating global warming is not caused by carbon dioxide.

Senator Wardner said legislators in North Dakota, Kansas, Nebraska, and South Dakota are upset with coal plants not being built. He said coal needs to be part of the energy solution.

In response to a question from Representative Porter, Ms. Tabor said if the federal government sets carbon dioxide emission standards before there is technology to meet those standards, this may affect the cost of energy in the way that placing ultralow sulfur standards on diesel before the technology was available resulted in a steep increase in the price of diesel fuel. She said consumers will end up paying for the increase in energy prices.

In response to a question from Senator Andrist, Ms. Tabor said there needs to be great care taken in crafting a solution to global warming. She said if the solution is wrong it will destroy the economy and not reduce global warming. She said there needs to be studies as to whether carbon dioxide may be sequestered and the repercussions of taking carbon dioxide out of the atmosphere.

PUBLIC SERVICE COMMISSION UPDATE

Mr. Kevin Cramer, Commissioner, Public Service Commission, provided written testimony ([Appendix E](#)) to the committee. He said the Public Service Commission has jurisdiction over the decommissioning of all wind facilities. He said the commission's rules provide for a financial mechanism that satisfies the commission that the decommissioning process will be completed. He said

when the commission makes a siting order, decommissioning is included within that siting order. He said 2007 House Bill No. 1221 provides automatic passthrough of federal environmental mandates that result in increased costs. He said the major issue with the bill is, although a utility should be able to recover the cost of federal environmental mandates, by making the passthrough automatic it removes the incentive for utilities to oppose federal environmental mandates. He said the bill places the burden on the Public Service Commission to disapprove the increase.

In response to a question from Representative Belter, Mr. Cramer said the commission does not have funds to research these increases.

In response to a question from Representative Belter, Mr. Cramer said utilities can and do itemize the cost of environmental impacts. He said there needs to be clarity and transparency but also simplicity in regard to the consumers' bills. He said fuel cost is a separate line on the consumers' bills.

In response to a question from Senator Tollefson, Mr. Cramer said the commission has siting jurisdiction over rural electric cooperatives.

In response to a question from Senator Tollefson, Mr. Cramer said there is a simple formula to determine the cost to a consumer of carbon dioxide legislation. He said the average North Dakotan's cost is based on the average consumer creating one ton of carbon dioxide per household per month.

In response to a question from Senator Urlacher, Mr. Cramer said there are 103 nuclear reactors in 64 locations around the United States. He said this country receives 20 percent of electrical generation from nuclear facilities.

In response to a question from Senator Wardner, Mr. Cramer said 90 percent of all new electric generation in the last 15 years burns natural gas.

In response to a question from Senator Urlacher, Mr. Cramer said natural gas for electricity generation is the highest cost generation.

EMPOWER NORTH DAKOTA STUDY

Mr. Ryan Rauschenberger, Manager of Business Energy Development, Department of Commerce, provided information on and an update to the action points ([Appendix F](#)) presented at the last meeting by the Empower North Dakota Commission. He said Category 1 action points are legislation that has been drafted, Category 2 action points will be addressed between now and the end of the legislative session, and Category 3 action points will be addressed after the legislative session, some through legislatively sanctioned studies. He said the action point handout has a new column for fiscal impact notes. He said action point 8, on the study of the property taxation of wind farms based upon installed capacity and production, changed from a Category 2 to a Category 3 because of the complexity. He said action point 56, to encourage market studies on the development possibilities of biomass, could be

encouraged through the Renewable Energy Council. He said action point 66, which recommends the Public Service Commission secure the necessary authority to approve energy efficiency programs that are cost-effective and initiated by utilities, does not need legislation because the Public Service Commission may do this on a case-by-case basis.

In response to a question from Representative Klein, Mr. Rauschenberger said the Empower North Dakota Commission thinks North Dakota has a good regulatory and tax environment for the building of additional refining capacity within this state.

EXTENSION OF REDUCTION IN PROPERTY TAX FOR WIND TURBINE ELECTRIC GENERATION FROM 2011 TO 2015 BILL DRAFT

Committee counsel presented a bill draft [\[90197.0100\]](#) that would extend the reduction from 3 percent to 1.5 percent of assessed value for a centrally assessed wind turbine electric generation unit with a nameplate generation capacity of 100 kilowatts or more from January 1, 2011, to January 1, 2015.

Ms. Marcy Dickerson, State Supervisor of Assessments and Director of the Property Tax Division, Tax Department, presented written testimony ([Appendix G](#)) on the bill draft.

In response to a question from Representative Meyer, Ms. Dickerson said a wind tower that is used by a private company for energy for that company is not included within the bill draft.

In response to a question from Representative Meyer, Representative Kelsh said a 100 kilowatt wind tower is a small turbine. He said the 3 percent original rate was determined because wind towers only produce energy approximately one-third of the time or at one-third of the nameplate capacity.

In response to a question from Senator Andrist, Ms. Dickerson said South Dakota has recently changed from a property tax to a production tax and Minnesota uses a production or capacity tax.

In response to a question from Senator Wardner, Ms. Tabor said the Empower North Dakota Commission did not discuss why the older plants were left at 3 percent.

In response to a question from Representative Kelsh, Ms. Dickerson said if nothing is done, the 3 percent will move to 10 percent, the 1.5 percent with a power purchase agreement will end when the agreement ends, and the more recent 1.5 percent turbines will go to 10 percent. She said the power purchase agreement language was removed because some owners of turbines were starting to use the power, so there was not any power purchase agreement.

In response to a question from Senator Wardner, Ms. Dickerson said the two companies at the 3 percent rate are not included within the power purchase agreement language.

In response to a question from Senator Wardner, Ms. Dickerson said the changing of the date from 2011 to 2015 relates to the date of construction. These dates relate to a beginning date, not an end date, on the benefit.

In response to a question from Senator Horne, Ms. Dickerson said there are many programs to stimulate wind development and there has been considerable wind development in this state. She said what one program does to stimulate development is not measurable.

Mr. Terry Traynor, North Dakota Association of Counties, said the original legislation was for a tax rate of 3 percent so that there would be development of wind. He said two companies developed with that incentive. He said due to inflation, the rate was lowered to 1.5 percent. He said this rate also competes well with other states. He said lowering the companies at 3 percent to 1.5 percent would not be an incentive for anything. He said this would reduce the tax base in the counties with the 3 percent rate turbines. He said this would change who pays and would raise taxes on the other property owners in the county.

In response to a question from Senator Horne, Mr. Traynor said counties are not taxing anything before the wind development so the counties are not losing anything at the front end. He said counties are generally supportive of the incentive but do have concerns with road damage due to wind development. He said wind companies need to know the cost over the power purchase agreement to plan.

Mr. John Olson, Otter Tail Power Company, said the tax incentives are very important to Otter Tail Power Company. He said the whole tax program is important and the general environment in this state is good for wind development.

In response to a question from Senator Urlacher, Representative Klein said the federal incentive is 2.5 cents per kilowatt-hour. He said the typical cost of wind is 6.5 cents per kilowatt-hour.

In response to a question from Senator Urlacher, Representative Kelsh said the cost of production and what the energy is sold for changes so the percentage of the incentive is difficult to determine.

Representative Porter said his concern is that the power purchase agreement could be a life exemption from property tax which would not be fair to local property taxpayers.

In response to a question from Senator Wardner, Mr. Harlan Fuglesten, North Dakota Association of Rural Electric Cooperatives, said a power purchase agreement is generally 20 years to 25 years in length.

Senator Urlacher said the issue should be dealt with during the 2011 legislative session because it gives more time to review whether the incentive is needed.

Senator Andrist said he was reluctant to vote for the bill draft because he did not know how the rates compared with other states.

It was moved by Representative Klein, seconded by Representative Kelsh, and carried on a roll call vote that the bill draft to extend the reduction from 3 percent to 1.5 percent of assessed value for a centrally assessed wind turbine electric generation unit from January 1, 2011, to January 1, 2015, be approved and recommended to the Legislative Council. Senators Wardner, Horne, Taylor, Tollefson, and Representatives Belter, Kelsh, Klein, Meyer, and Porter voted "aye." Senators Andrist and Urlacher voted "nay."

EXTENSION OF COAL CONVERSION TAX EXEMPTION FOR REPOWERING TO INCLUDE BENEFICIATED COAL BILL DRAFT

Committee counsel presented a bill draft [\[90194.0100\]](#) that would extend the coal conversion tax exemption for repowering to include an electrical generating unit that uses beneficiated coal. He said beneficiated coal is coal with improved physical, environmental, or combustion qualities. He said the exemption from the coal conversion tax is extended to electrical energy generating units. He said the exemption previously was applied to electrical generating plants.

Ms. Dickerson presented written testimony ([Appendix H](#)) on the bill draft. She said the bill draft limits the repowering exemption to units that complete repowering. She said current language provides a five-year exemption from the state portion of the coal conversion tax for the plant and an optional exemption from the county's portion of the tax for the plant, even if only one of the plant's units has been repowered. She said the bill draft would limit the exemption to the repowered unit.

It was moved by Senator Andrist, seconded by Representative Klein, and carried on a roll call vote that the bill draft to extend the coal conversion tax exemption for repowering to include an electrical generating unit that uses beneficiated coal be approved and recommended to the Legislative Council. Senators Wardner, Andrist, Horne, Taylor, Tollefson, and Urlacher and Representatives Belter, Kelsh, Klein, Meyer, and Porter voted "aye." No negative votes were cast.

SALES AND USE TAX EXEMPTION AND SEVERANCE TAX EXEMPTION FOR COAL USED IN AGRICULTURAL COMMODITY PROCESSING FACILITY TO INCLUDE BENEFICIATED COAL BILL DRAFT

Committee counsel presented a bill draft [\[90195.0100\]](#) that would include a power plant that uses beneficiated coal within the sales and use tax exemption and would include a severance tax exemption on coal purchased for coal beneficiation

which is used in an agricultural commodity processing facility. He said the severance tax exemption is for coal and beneficiated coal used in agricultural commodity processing facilities. He said agricultural commodity processing facilities are buildings, structures, fixtures, and improvements used or operated primarily for the processing or production of marketable products from agricultural commodities. He said present law applies the exemption to coal used in agricultural processing or sugar beet refining plants.

Ms. Dickerson provided written testimony ([Appendix H](#)) on the bill draft. She said the change in the severance tax exemption is to make the language in the sales tax statute and coal severance tax statutes similar. She said the change in Section 1 of the bill draft is cleanup because beneficiated coal is not taxed under North Dakota Century Code Chapter 57-60. She said this reference is removed to clarify the language.

It was moved by Senator Andrist, seconded by Senator Taylor, and carried on a roll call vote that the bill draft to extend the sales and use tax exemption and the severance tax exemption for coal used in an agricultural commodity processing facility to beneficiated coal be approved and recommended to the Legislative Council. Senators Wardner, Andrist, Horne, Taylor, Tollefson, and Urlacher and Representatives Belter, Kelsh, Klein, Meyer, and Porter voted "aye." No negative votes were cast.

OIL EXTRACTION TAX EXEMPTION FOR TERTIARY RECOVERY PROJECTS EXTENDED FROM 10 YEARS TO UNLIMITED DURATION BILL DRAFT

Committee counsel presented a bill draft [\[90191.0100\]](#) that would extend the oil extraction tax exemption for tertiary recovery projects from 10 years from the date the incremental production begins to an unlimited duration.

Mr. Cory Fong, Tax Commissioner, provided testimony on the bill draft and provided a handout of a legislative proposal ([Appendix I](#)). He said the bill draft was suggested by the Empower North Dakota Commission to stimulate activity in capturing carbon dioxide. He said the bill draft needs to have a tie to carbon dioxide injection. He said his legislative proposal is more narrowly tailored to that goal.

In response to a question from Senator Andrist, Mr. Fong said page 12 of the Empower North Dakota report states the purpose of the bill draft is for carbon dioxide for use in tertiary recovery.

In response to a question from Senator Andrist, Senator Wardner said tertiary means third step in recovery.

INCOME TAX CREDIT FOR RENEWABLE ENERGY EXTENDED UNTIL 2015 BILL DRAFT

Committee counsel presented a bill draft [\[90190.0100\]](#) that would extend the income tax credit for the installation of geothermal, solar, wind, or biomass energy devices from an end date of January 1, 2011, to an end date of January 1, 2015, allow a credit carryover of 10 years, and limit the sale of unused credits to those credits earned before January 1, 2011.

Mr. Fong provided testimony on the bill draft. He said the credit is a 5 percent credit for three years and is 15 percent in total. He said the 5-year carryover is changed to 10 years and the salable quality will no longer be allowed after 2011.

In response to a question from Senator Wardner, Mr. Fong said a generator of a credit can sell the credit in a power purchase agreement or to any taxpayer that constructs or expands an electricity transmission line. He said this is capped at \$3 million per biennium. He said the only other tax credit that is salable is the research and development tax credit.

In response to a question from Senator Wardner, Mr. Fong said the salability was meant to encourage transmission, but is not necessarily the best way to encourage transmission.

In response to a question from Senator Tollefson, Mr. Fong said the salable quality is being ended in the bill draft. He said if the committee does nothing the salable quality remains.

In response to a question from Senator Taylor, Mr. Fong said who can sell a tax credit is very limited and does not include a homeowner that installs a geothermal unit.

PERMANENT SALES AND USE TAX EXEMPTION FOR WIND-POWERED FACILITY BILL DRAFT

Committee counsel presented a bill draft [\[90193.0100\]](#) that would make permanent the sales and use tax exemption for materials used in the construction or expansion of a wind-powered facility.

In response to a question from Representative Klein, Mr. Fong said sales and use tax exemptions in present law are for the most part permanent. He said this sales and use tax exemption was unique in having a sunset clause in the first place.

It was moved by Representative Porter, seconded by Representative Meyer, and carried on a roll call vote that the bill draft to make the sales and use tax exemption for materials used in a wind-powered facility permanent be approved and recommended to the Legislative Council. Senators Wardner, Andrist, Horne, Taylor, Tollefson, and Urlacher and Representatives Belter, Kelsh, Klein, Meyer, and Porter voted "aye." No negative votes were cast.

SALES AND USE TAX EXEMPTION FOR CONSTRUCTION OF NATURAL GAS SYSTEM COLLECTED FROM OIL WELLS BILL DRAFT

Committee counsel presented a bill draft [\[90192.0100\]](#) that would define the sales and use tax exemption for the construction or expansion of a system used to compress, process, gather, or refine gas from an oil or gas well and provide for a certificate of qualification from the Tax Commissioner to be exempt.

In response to a question from Representative Klein, Mr. Fong said the law addressed in the bill draft was passed during the 2007 legislative session to incentivize gas gathering. He said the 2007 legislation did not by definition include oil wells and some people thought it did. He said the committee would have to wait until the next meeting to receive information on the fiscal impact of the bill draft.

It was moved by Representative Klein, seconded by Representative Porter, and carried on a roll call vote that the bill draft to include oil wells in the sales and use tax exemption for a natural gas system be approved and recommended to the Legislative Council. Senators Wardner, Andrist, Horne, Taylor, Tollefson, and Urlacher and Representatives Belter, Kelsh, Klein, Meyer, and Porter voted "aye." No negative votes were cast.

ENERGY CONSERVATION AND EFFICIENCY STANDARDS FOR BUILDINGS BILL DRAFTS

Committee counsel presented a bill draft [\[90196.0100\]](#) that would require the International Energy Conservation Code standards for energy conservation in any new building construction. In addition, he presented a second draft of a bill draft [\[90123.0200\]](#) that would require the Division of Community Services to adopt construction standards that are consistent with the silver building rating of the leadership in energy and environmental design (LEED) rating system. He said the standards would apply to new public buildings in excess of \$2 million and to modifications in excess of \$500,000. He said the bill draft provides for an exemption if a written analysis is provided that proves the cost of compliance significantly outweighs the benefits.

Ms. Bonnie Staiger, American Institute of Architects, presented testimony on the bill draft. She said the building construction industry is ready to accept the most up-to-date and reputable standards.

In response to a question from Senator Urlacher, Ms. Staiger said the upfront costs are higher with efficiency standards, but over time efficiency standards are more cost-effective.

Ms. Marie Hoff, Clean Energy Task Force, Dakota Resource Council, presented written testimony ([Appendix J](#)) on the bill draft. She said this state's commercial building codes have lagged behind national standards for efficiency. She said efficiency standards for state buildings lower costs for taxpayers. She said the state should fund weatherization projects for low-income individuals. She said these projects would be for the upfront capital costs to save energy.

Mr. Bill Huether, Manager, Office of Renewable Energy and Energy Efficiency, Department of Commerce, presented written testimony and handouts ([Appendix K](#)) on the bill drafts. He said the energy code bill draft imposes a standard that reputable studies have shown will repay upfront costs in 2.4 years for a commercial building and 3.9 years for a residential building. He said the savings do not necessarily go to the person who pays for the upfront costs. He said this state's present energy code is based on a 1993 model code and is not mandatory for local jurisdictions. He said the bill draft on the energy code would make mandatory and statewide the current nationally accepted version. He said the change would bring this state into compliance with federal law. He said the Office of Renewable Energy and Energy Efficiency would provide training on the energy code.

In response to a question from Representative Meyer, Mr. Huether said the training would be paid by dedicated federal funds or from petroleum violation funds.

In response to a question from Senator Andrist, Mr. Huether said the payback periods are typically short periods of time.

In response to a question from Senator Urlacher, Mr. Huether said the energy code specifies that usually only the portion of a building that is being updated needs to comply with the energy code.

Mr. Huether said the LEED bill draft addresses issues beyond energy efficiency. He said the LEED standards address enhanced sustainability and the use of nonrenewable resources. He said a 2004 United States General Services Administration study found that the hard costs of the silver LEED standards were up to \$9.57 per square foot. He said the incremental soft costs were 41 cents to 55 cents per square foot. He said sustainability does not necessarily reduce costs. He said it may increase costs in some areas. He said if the bill draft goes forward there needs to be more standards for the exemption from the LEED standards.

Mr. Mike Williams, Fargo City Commissioner, provided testimony on the bill drafts. He said efficiency is the energy of choice. He said Fargo builds to high-efficiency standards but does not certify because the certification can cost \$80,000 per building.

In response to a question from Senator Wardner, Mr. Williams said some builders have concerns, but most want guidance. He said the pocketbook guides

most people in making construction decisions. He said most homes and public buildings last 50 years to 200 years and a return on investment does not need to come in 2 years to 3 years.

In response to a question from Senator Wardner, Mr. Williams said affordable housing is important, but savings after the construction are important as well.

Senator Wardner said he has heard that some industry representatives are against the bill drafts and he wants to hear testimony from the industry.

SHORTENED TIME FOR DESIGNATION OF A ROUTE FOR A TRANSMISSION FACILITY BILL DRAFT

Committee counsel presented a bill draft ([90227.0100](#)) that would shorten the time in which the Public Service Commission may designate a route for the construction of a transmission facility from six months to three months after the filing of a completed application.

Commissioner Cramer presented testimony ([Appendix L](#)) in opposition to the bill draft. He said in the testimony provided earlier, the spreadsheet shows the commission acts in a timely manner. He said the commission is as efficient as possible; however, there needs to be public hearings, which take time.

Representative Klein said he brought this bill forward so the process could be expedited. He said the longer it takes to make a decision, the higher the costs for the project.

It was moved by Representative Klein, seconded by Representative Belter, and carried on a roll call vote that the bill draft to shorten the time period for the Public Service Commission to designate a route for the construction of a transmission facility be approved and recommended to the Legislative Council. Senators Tollefson and Urlacher and Representatives Belter, Klein, and Porter voted "aye." Senators Wardner, Horne, and Taylor and Representative Meyer voted "nay."

REPORT FROM THE EMERGENCY SERVICES COMMUNICATIONS COORDINATING COMMITTEE

Mr. Traynor provided a report ([Appendix M](#)) from the Emergency Services Communications Coordinating Committee on the use of assessed communications services fee revenue and recommended changes to the operating standards for emergency services communications.

In response to a question from Representative Porter, Mr. Traynor said some counties are saving for the future while negatively spending to operate a public safety answering point.

Representative Porter said there are a number of duplications in technology around the state. He said one reverse 911 system could handle the whole state. He said the computer-aided dispatch system of Fargo could be the backbone for the entire state. He said

there is no incentive for the sharing of technology. He said there appears to be a resistance at the local level to share resources, so there is costly duplication. He said the Legislative Assembly may need to force sharing.

Representative Porter said one controller could provide the routing for next generation 911. He said there is no reason to save money when the equipment they are saving for should be shared.

Senator Wardner said if revenues go down, counties will need to share.

In response to a question from Representative Porter, Mr. Traynor said he is encouraged by some

sharing. He said there are some technological problems going across the local access transport line.

In response to a question from Senator Wardner, Mr. Traynor said the installation of fiber optics should help sharing. He said this state has a fiber optic ring.

No further business appearing, Chairman Wardner adjourned the meeting at 3:15 p.m.

Timothy J. Dawson
Committee Counsel

ATTACH:13