

UT-041629 Rulemaking E911

COMMISSION STAFF SUMMARY OF MARCH 2005 STAKEHOLDER COMMENTS

<p>February 2005 Questions to Parties from WUTC:</p>	<p>Question 1 What are the policy reasons for treating wireline and wireless carriers differently or alike for purposes of recovery from PSAPs of the cost of transport to the SR?</p>	<p>Question 2 How is the recovery of E911 implementation costs and specifically transport to the selective router, presently handled with respect to customers of competitively classified telecommunications companies?</p>	<p>Question 2 a What are the policy reasons for treating ILEC & CLECs differently or alike for purposes of recovery of the cost of transporting E911 calls to the SR?</p>	<p>Question 2 b Do competitive considerations favor treating CLEC & ILEC alike with respect to recovery of E911 service costs?</p>	<p>Question 2 c Should CLECs be entitled to charge PSAPs for the cost of transport to the SR? If so, would those charges be subject to tariff or price list regulation; what kind of regulation should they be subject to?</p>	<p>Question 3 Please comment on EMD p3 Technology has changed and new providers have entered the tel market, each making decisions on market svc territory and call transport technology. These new providers may have switches in other states and ILECs consolidated SRs to the point only ten SRs serve WA. Therefore, the PSAPs should not have to pay for connections on the telecom company side of the SR.</p>	<p>Question 4 a Could ILECs recover the cost of transport to the SR as part of basic service costs in the general rate base?</p>	<p>Question 4 b Assuming the cost of transport to the selective router was no longer recoverable through PSAP tariffs, could rural carriers obtain reimbursement from USF for transport to the SR as part of the basic services requirement?</p>	<p>Question 5 In reference to the statement in EMD comment p 2 The FCC established 911 as the standard for access to emergency services. These standards apply to carriers offering local svcs regardless of the nature of technology utilized or the regulated classification of the company. What cost reimbursement is there for access to E 911 svcs as part of the FCC's basic requirements part of high cost support under federal USF?</p>	<p>Question 6 For your company, how much of the costs of E911 svc is attributable to transport from the end office to the SR (either in terms of total dollars in WA, or as a percentage of costs you currently recover through rates and charges paid by PSAPs?)</p>	<p>Question 7 Please address the comments filed by others in the docket. OR General Comments</p>
<p>1. EMD (2.04.05)</p>	<p>The interest of competition is served if all carriers are treated equally for cost recovery of like network elements. Carriers should be able to manage</p>	<p>CLECs do not recover costs from the PSAPs.</p>	<p>No CLECs when E911 was first introduced. As ILECs provided access to E911 it was natural for CLECs to connect to the ILECs networks for E911 access and to pay their</p>	<p>Yes. Permitting only ILECs to be reimbursed for E911 transport puts them at a competitive advantage.</p>	<p>No. In fairness, if CLECs can charge PSAPs for the cost of transport, wireless cxrs should be able to recover the same costs. State gov't entities require contracts or</p>	<p>EMD's original statement did not include reference to telecom cxrs that provide VOIP. Staff Comment: Workshop will address impact</p>	<p>CLECs have recovered transport costs in their internal cost structure. In general CLEC E911 transport systems are more geographically dispersed than ILEC's E911</p>	<p>N/A</p>	<p>Minnesota (and maybe other states) carrier receive USF support for E911 transport and other E911 elements.</p>	<p>N/A</p>	<p>EMD Comments on other parties: Qwest: 911 dates back to the 1970s. System needs to keep pace with technology. Verizon: ILEC will be subject to revenue loss, but 911 should be part of basic</p>

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	their 911 connections without restrictions on grooming transport elements. Since more than half of calls to 911 are from competitors, equal access is required		costs. Distinctions between ILECs and CLECs become blurred under competition		tariffs for services. This may be problematic for wireless cxrs.	of VoIP –new technologies on existing rules and on proposed changes to rules	networks				service cost. Statement about paying other carrier to transport traffic appears to be inaccurate. WITA: Cost of providing transport for small companies should be a company decision.
2. King County (2.4.05)	1. All types of providers offer comparable, competitive services and should be treated the same with respect to provision of E911 service and cost recovery for that service.	2. ILECs receive cost recovery from counties for E911 costs and transport to the SR and CLECs do not. Currently no CLEC has chosen to pursue cost recovery with the counties.	2 a ILECs and CLECs offer comparable services and should be treated the same for cost recovery. Concern: if E911 jurisdictions will no longer be required to provide cost recovery for transport to the SR, counties may lose control over level of E911 svc provided by telco's. ILEC's provide traffic studies and tariffs specify grade of service. King County has tried	2 b Yes-treatment should be the same.	2 c Concern: Tariff vs price list. Tariff allows public comments and process from E911 jurisdictions. Price lists do not. CLECs should have to file tariffs, specific traffic studies and detailed reporting.	3 Consolidation of SR and the number of providers has increased. Cost recovery rates were established only when ILECs were providing service and the 911 network was less extensive. Current 911 excise taxes do not generate revenue to cover the cost of transport. Staff Comment: Referendum to electorate 1991 c 54: passed with approx. 90% of voters)	4 a SR costs may be recovered as part of basic service costs in the general rate base.	4 b WUTC established 911 as a basic service, USF should be used to reimburse. Staff Comment: 911 Basic Service: 1998 C 337 (8) RCW 80.36.600 (6) (b) (v) Statewide E911 Service Finding: RCW 38.52.500 Funding by Counties: RCW 38.52.510 Access to emergency Services: WAC 480-120-021	5 N/A	6N/A	7 KC comments on other parties: EMD: Traffic studies should be required. Qwest/Verizon/WITA: None respond to issue of inequity of 911 cost recovery. All LECs should be treated equally. Cost recovery for CLECs and wireless cxr is unstable and could change, leaving counties vulnerable in budget planning. The only option for creating cost recovery parity is to eliminate cost recovery for the ILECs

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			to create the same requirements for CLECs and Wireless co's without success. If cost recovery is allowed to CLECs, a requirement must be included to allow jurisdictions to specify and monitor their networks and the level of svc.								
3. Thurston County CAPCOM 911 (2.2.2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A Other Supports changes to WAC to create a uniform demarc.
4. APCO (911Assoc) (2.2.2005)	1. N/A	2. N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A Other: "" Supports changes to create uniform demarc.
5. ICOM (2.4.2005)	1.N/A	2. N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A Other: ""
6. Yakima 911 (2.11.2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A Other ""
7. Skagit 911 (1.25.2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A Other: ""
8. Public Counsel (2.14.2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A Other: P C does not take a position at this time on the demarc point or attempt to answer questions by Staff. Instead

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											comments are on the public interest of the rulemaking. Competitive disadvantages are important but secondary to having E911 in place statewide.
9. Qwest (2.2.2005)	Different cost recovery mechanism evolved for regulated and unregulated companies. Supports FCC decision that wireless cxrs can have different demarcation points.	N/A	See response to #1	Not necessarily. CLECs are not likely to give up competitive status in favor of filing tariffs for E911 services	Not opposed to CLECs charging PSAPs for transport to SR if the incur such costs	EMD's comment does not take into account regulatory and technical differences that exist between providers	Qwest may not be made whole without specific rate adjustments	WUTC has the authority to decide the appropriate use of state universal funds	Qwest does not receive FUSF support...basic service does not include access to 911 and E911. WUTC has authority over use of FUSF in WA state.	Approximately 8% of E911 costs	Generally concurs with comments of Verizon and WITA.
10. Verizon (2.2.2005)	Parity exists if companies have a mechanism to recover costs. Wireless cxrs have flexibility. ILECs are regulated. Therefore PSAPs pay ILECs for transport. Otherwise ILECs would have to recover costs	N/A	N/A	N/A	N/A	Verizon should continue to recover transport costs from the cost-causer (PSAPs).	Supports cost-causer concept	N/A	ETCs must provide access to E911 to receive USF funding. Some of cost of providing E911 access may be supported, but carrier's costs must exceed national bench marks.	Revenue is CONFIDENTIAL	N/A

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	from unrelated services										
11. SPRINT (2.4.2005)	Sprint supports the FCC King County order and no cost recovery for wireless carriers.	N/A	FCC requires PSAPs to support cost recovery for ILECs.	See 2a	See 2a	May need to provide cost recovery to CLECs and other providers but there is no compelling reason to change support mechanism for ILECs.	If ILECs shift PSAP charges to the rate base, customers are effectively paying twice for E911 through rates and through tax.	No. Transport charges are not included in USF, USF is loop only	None.	Exact dollars are not available. Could see significant increases in transport costs.	Supports Qwest, Verizon, WITA positions.
12. WITA (2.25.2005)	Wireless and wireline cxrs use different technologies and service areas. Rural ILECs are at disadvantage due to remote location from SR. Wireless switches are usually located close to the SR. WITA typically has high transport costs to the SR.	CLECs may also locate switches near the SR. WITA is not aware of how CLECs recover transport costs. CLECs could file tariffs or price lists for E911 services. The mechanism used is a business decision.	WITA does not object to CLECs filing tariffs or price lists for E911 services.	There are no competitive wireline CLECs in WITA territory. To answer question, need to know CLECs cost of transport to the SR.	See answer 2b	EMD statement is a fallacy. WITA has not been involved in decisions to consolidate SRs in Washington. Consolidation adds to WITA cost of transport including out of state transport in the case of the Vancouver SR moving to Portland.	Absent the legislative decision that E911 be supported via a tax, the answer is "yes." EMD is asking for an additional burden in the form of a hidden tax	There is no state USF Fund that allows recovery of E911 costs. Elements are specified in U-85-23 and in the WUTC terminating access rules and do not include dedicated transport.	Review of question is ongoing. Does not appear that this expense is covered under current USF cost recovery.	Shift of transport costs are still under study. Preliminary results are as high as \$1.60 per customer per month.	N/A
13. MCI (2.2.2005)	No basis for making distinction between wireless and wireline service.	No recovery mechanism is available to CLECs. CLECs are at a comparative disadvantage.	There should be no disparate treatment.	Yes	Yes. Price list regulation with prices set at or below ILEC charges.	MCI does not agree that PSAPs should not be responsible for costs of connections on the telecom company side of the SR. CLECs	No comment	No comment	No comment	MCI incurs costs for each 911 trunk. \$1400 per mo/70 DSO circuits. MCI does not recover these costs.	CLECs should be permitted to recover E911 costs. These costs should be passed to the PSAP. Competitively neutral policy adopted in CA

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						should be entitled to charge PSAPs for transport to the SR as ILECs are reimbursed.					and TX. Texas Rule: §26.435. Cost Recovery for 911 Transport CA Rule: Revenue and Taxation Code # 41136
13. Time Warner (2.2.2005)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Agrees with MCI
15. Echelon (2.4.2005)	1 Wireline and wireless carriers should be treated alike.	2 Facility costs are incurred and are considered a cost of doing business, included in calculations to determine rates charged to customers.	2 a Ideally, no basis to distinguish between ILECs and CLECs for cost recovery but in many cases the ILEC is the only provider of 911 SR services. ILEC should not double recover cost of transport	2 b Answer 2 a	2 c LECs and CLECs should NOT be entitled to charge PSAPs for transport between end office and SR. PSAPs should pay for transport between SR and PSAP and the SR service. PSAPs don't determine how a LEC transports traffic and should not bear the cost.	3. PSAP should not pay a provider for connectivity. ILECs and CLECs should be able to recover costs of building transport to the SR.	4 a N/A	4 b N/A	5 N/A	6 All costs for E911 is attributable to cost of transport from the end office to the SR.	7 Cost recovery mechanisms for 911 should be carrier neutral.
16. Level Three (2.4.2005)	Public interest is hindered by discriminatory 911 cost structure. Competitive	N/A	Carriers should bear like costs for use of like facilities. If competitors pay for transport, so	Cost model is fundamentally discriminatory. CLECs have less ubiquitous networks and	N/A	Competitive neutrality will encourage IP-based providers to implement E911 access.	N/A	N/A	N/A	N/A	Supports EMD initiative to reform current discriminatory regime for E911 facilities costs

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	neutrality requires establishing standard network demarcation point.		should incumbents	traverse longer distances to reach the SRs. Level 3 has 15 points of interconnection for 10 SRs.		PSAP transport costs should be used for upgrades to emergency services that are IP-based.					