

UT-041530(?)
10-27-04



STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION

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August 18, 2004

Ms. Carole Washburn, Secretary
Washington State Utilities and Transportation Commission
Chandler Plaza Building
Post Office Box 47250
Olympia, Washington 98504-7250

RECEIVED
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OFFICE OF THE ATTORNEY GENERAL
RECORDS SECTION

Dear Ms. Washburn:

The Enhanced 911 (E911) Program Office recommends the state E911 wireline excise tax be continued at the current rate of 20 cents in 2005. Some Washington counties continue to project lower wireline E911 revenues for fiscal year (FY) 2004-05, as wireless phones displace traditional wireline services. The state E911 excise tax was extended to wireless subscribers beginning January 1, 2003, at a fixed rate of 20 cents per month per subscriber. This additional tax resource is being used to implement and operate new location technologies for wireless E911 and to assist counties with related Public Safety Answering Point (PSAP) equipment upgrades. The total tax collections for both the wireline and wireless services are anticipated to be approximately \$15.5 million in concert with the Legislative appropriation for FY 2005. The wireline revenue is anticipated to be \$8.5 million of the total revenue.

Enclosed is a chart that supports the recommendation to retain the wireline tax at 20 cents. The chart shows in state fiscal year 2005 that wireline expenditures are expected to equal wireline revenue. Verizon is in the process of upgrading its selective routers to bring them into compliance with current E911 network standards. This upgrade will allow their network to support inter-tandem transfer to compliment the work recently accomplished by Qwest and will increase the wireline costs within the state. It is not clear if this upgrade will result in a tariff filing for increased recovery of costs by Verizon but that is anticipated. Qwest is also completing a proposal for a major upgrade to the 911 systems provided by it in Washington State. This upgrade will eliminate duplicate equipment while providing additional equipment diversity and an upgraded 911 data transmission capability. The cost impacts are anticipated to be neutral although the implementation will move the payment of these costs from the current county-centric model to a more statewide formula.

For FY 2005 the Program Office will continue to use a priority system for county assistance based on revisions to statutory authority. A continued requirement for FY 2005 is the separation of support into wireline and wireless components.

County requests for assistance for both wireline and wireless components of the E911 system are well supported with consideration being given to expansion of support for some items associated with caller location capabilities, computer aided dispatch, and system additions necessary to accommodate Voice over Internet Protocol. Voice over Internet Protocol (VoIP) technology arrived in Washington State during the past year as a consumer choice for telephone service. VoIP compatibility with the 911 system may be expensive and may require a separate wireline network to ensure that VoIP



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subscribers have access to the 911 system. Currently only wireline 911 tax funds can be used to pay these costs.

The E911 Office is currently seeking ways to make the E911 network more efficient. As the telecommunications industry is opened to more competition, the growth in the number of switches (including private branch exchanges) requires that more entities have direct access to E911 network services. It makes sense to consolidate the E911 network components into more manageable configurations. Not only should the smaller counties be encouraged to consolidate, but also a single vendor for selective routing and the database management system can bring more efficiencies of scale to the E911 network. Such a network will also be more user friendly than the current multiple router multiple carrier provided system. This is precisely the proposal now being developed by Qwest for the entire state, other than the Verizon supported counties that will have connectivity for call transfer but not for data transfer.

The E911 Office continues to be actively involved in establishing technical standards for the operation of 911 networks including both wireline and wireless systems. Formats for sending information to the 911 centers have been standardized to the degree possible with this new data format also being used for wireline. VoIP standards for connection to Enhanced 911 systems are nearly complete with an interim patch being proposed to permit VoIP customers to receive benefits of 911 similar to those of wireline customers as early as 2005. Issues such as international roaming on wireless systems, 911 calls from Satellite systems, interfaces to Telematics service providers, and ongoing work to permit integration of private telephone systems to E911 are all active projects. The State E911 Program Office is directly involved with national standards bodies in establishing rules for data transmission and other aspects of E911 system performance.

In its rules for wireless carriers the Federal Communications Commission has continued to note that carriers have certain obligations to their customers assuring that all have access to emergency assistance through Enhanced 911. The FCC has clarified some of its rules for wireless service providers and the state is considering the implications of those decisions and how it can forward proposals to assure that competing technologies are treated equally for the purpose of E911 service.

Thank you for the continuing support that the UTC provides to the State E911 Program. If you have any questions, please do not hesitate to contact this office at (253) 512-7011.

Sincerely,



Robert G. Oenning
Washington State E911 Administrator

RGO:tl

Enclosure

cc: Rebecca Beaton, Washington Utilities and Transportation Commission
Bob Williamson, Washington Utilities and Transportation Commission

FY04 Total Revenue Collected:

\$8,725,000.00

CATEGORY OF EXPENSES

TOTAL EXPENSE:

Direct E-911 County Funds	\$3,900,000.00
Network Upgrades	\$2,000,000.00
Indirect E-911 County Funds	\$575,000.00
State E-911 Office	\$501,000.00
E-911 Statewide Services	\$1,375,000.00
Indirect to Department	\$120,000.00
TOTAL:	\$8,471,000.00

