



STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION

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August 19, 2005

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

Dear Ms. Washburn:

The Enhanced 911 (E911) Program Office recommends the state E911 wireline excise tax continue at the current rate of 20 cents in 2006. Although the revenue from the State wireline E911 excise taxes increased in 2005, some Washington counties continue to project lower wireline E911 revenues for fiscal year (FY) 2005-06, as wireless and Voice over Internet Protocol (VoIP) 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 to assist counties with related Public Safety Answering Point (PSAP) operations and equipment upgrades. The total tax collections for both the wireline and wireless services are anticipated to be approximately \$16.4 million with the wireline revenue anticipated to be \$9.8 million of that total revenue. A continued requirement for FY 2006 is the separation of support into wireline and wireless components for tracking purposes.

Enclosed are charts that show the distribution of expenses for the 2005-06 fiscal year. The anticipated expenditures exceed the revenue projections because the expenditures are not evenly divided between the two years of the Biennium with a larger projected expenditure in the first year. The FY 2005-06 E911 Program Budget chart includes both wireline and wireless expenditures while the FY 2005-06 Wireline Only chart shows just the distribution of funds collected under the auspices of this request. Many of the items that support E911 can be attributed to activities that support both wireline and wireless 911 calls. After the distinct wireline and wireless items are calculated, the remaining shared activities are split between the two funding sources based on the number of subscribers for each type of service. That split for 2005-06 is 60% wireline and 40 % wireless. A significant change from past practices is the move of approximately \$5 million in E9-1-1 related carrier expenses from payment by the counties with reimbursement by the state to direct payment by the state. This was done under the program's authority to directly contract for statewide service in conjunction with major projects undertaken by Qwest Communications and Verizon Communications done at the request of the State E911 Program. Notes are included on Enclosure B with explanation of the categories used on the charts.

During the past fiscal year both Qwest and Verizon completed major upgrades to their E911 network. For Verizon this effort included replacing older selective routers with paired tandem selective routers. For Qwest the projects included a general E911 network reconfiguration with the entire territory served by Qwest moved to paired selective routers and the elimination of four routers along with a move of the data transport for 911 records to a frame relay service. The use of dual tandem selective routers provides a more robust platform for E911 call management not only from the standpoint of reducing potential outages from switching facility failures but also assures physical network diversity. The frame relay moves the data transport for E911 records from relatively slow digital data circuits to high speed circuits that are capable of transporting the advanced 911 data sets planned for the near future.

For FY 2006 the Program Office continues to use a priority system for county assistance based on rules in the Washington Administrative Code. This year a customer group has taken a very active role in a thorough review of the policies that support the provisions of that code with clear direction to assure sustainability and equality of support to counties. This, and other, subcommittees of the Enhanced 911 Advisory Committee exemplify the best in user-based involvement with a singular objective of assuring that residents of Washington State have the best available E911 service.

County requests for assistance for both wireline and wireless components of the E911 system are well supported with support for some items associated with caller location capabilities, computer aided dispatch, and system additions necessary to accommodate technological changes. Voice over Internet Protocol (VoIP) technology continues to be a major focus of the E911 program particularly with the advent of the Federal Communications Commission ruling that requires that VoIP providers provide an interface to E911 before December of this year. One nuance of the effort is a provision attached by the legislature to the E911 expenditures that limits the total expenditure of funds for specific VoIP efforts to those E911 tax receipts that are collected from VoIP carriers. The State E911 Program Office is also working with the Department of Revenue on a report to the legislature concerning the inclusion of VoIP services in the E911 excise tax.

Current projects of significance include the final phases of the network revisions done by Qwest and Verizon auditing billings, assuring physical diversity and ordering Telecommunications Service Priority for a select group of circuits, and the installation of a real-time 9-1-1 traffic monitoring system. This system will automate reporting of 911 call volumes along with some related statistical information. A project is also well underway to fully automate the grant application and management services used to provide fiscal support to counties.

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 maximum degree possible with this new data format also being used for wireline. The standards for VoIP connection to Enhanced 911 systems has protocols now in place that will permit VoIP customers to receive benefits of 911 similar to those of wireline customers. In conjunction with these standards, a protocol is being forwarded that will permit Enhanced 911 systems to utilize VoIP technologies for call processing. Other active projects include; development of methodologies for handling 911 calls from international roaming on wireless systems, discussions on the processing of 911 calls from Satellite systems, the building of interfaces to Telematics service providers that will permit them

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to transfer data to the PSAPs if desirable, and ongoing work to permit integration of private telephone systems to E911. 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 and is an active lead participant in the FCC's National Reliability and Interconnectivity Council VII.

Thank you for the continuing support that the WUTC provides to the State E911 Program. This past year has seen ongoing collaborative efforts in areas such as consumer education on VoIP 911 capability, cost analysis, and efforts to assure timely updating of carrier generated E911 customer location information. 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:tcl

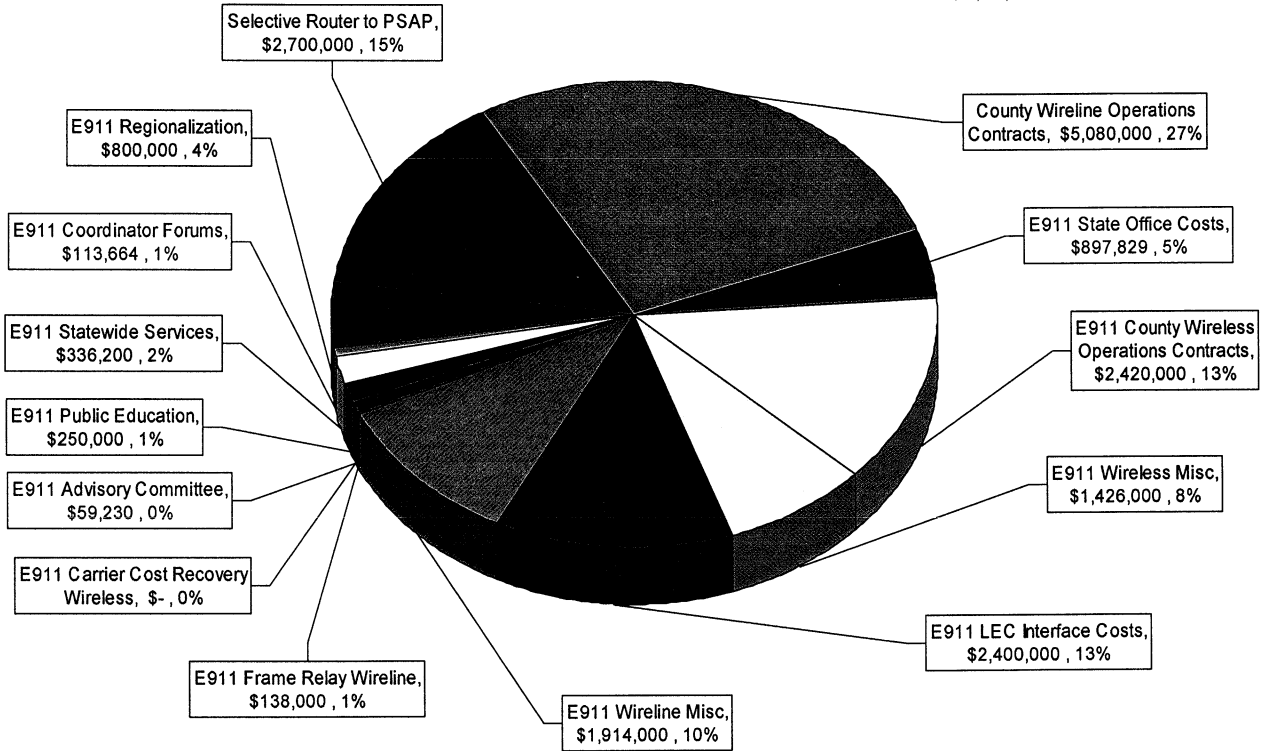
Enclosure

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

Enclosure A – Expenditure Allocations for FY 2005-06

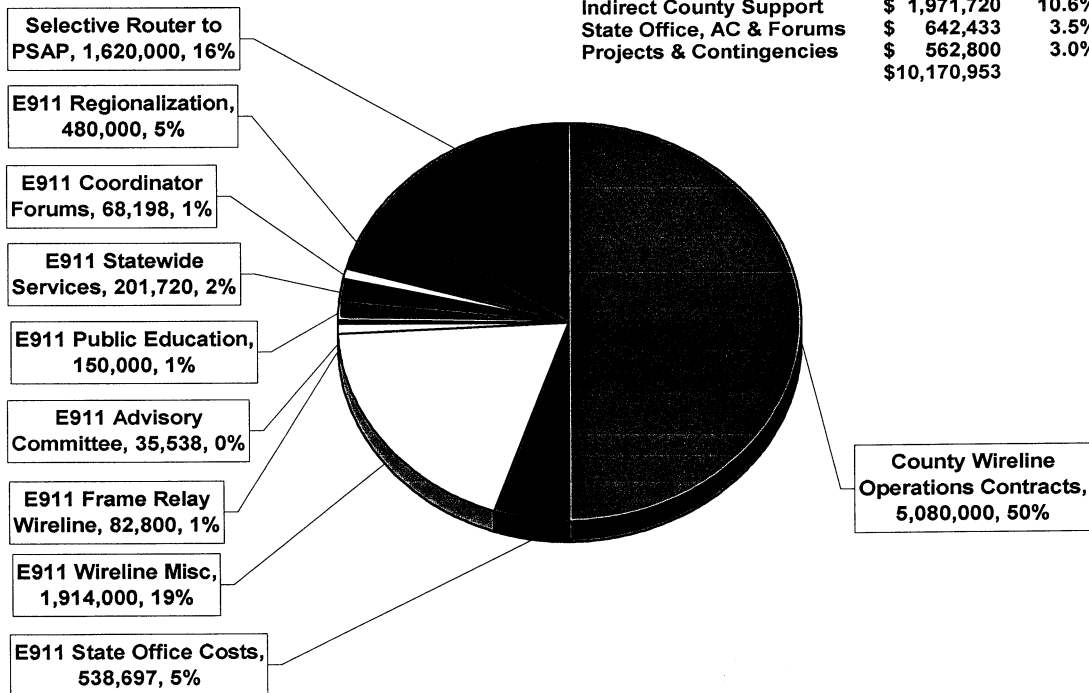
FY 2005-06 E911 PROGRAM BUDGET

Direct County Support	\$10,840,000	58.5%
Indirect County Support	\$ 5,686,200	30.7%
State Office, AC & Forums	\$ 1,070,722	5.8%
Projects & Contingencies	\$ 938,000	5.1%
Total	\$18,534,922	



FY 2005-06 WIRELINE ONLY

Direct County Support	\$ 6,994,000	37.7%
Indirect County Support	\$ 1,971,720	10.6%
State Office, AC & Forums	\$ 642,433	3.5%
Projects & Contingencies	\$ 562,800	3.0%
Total	\$10,170,953	



Enclosure B – Notes to Fiscal Charts

County Wireline Operations Contracts

County Wireless Operations Contracts

Reimbursement contracts with counties that support an extensive list of Enhanced 911 cost elements. The primary contract requirement is that the locally collected E911 excise tax be expended on these eligible items before a county is eligible for State support. The support includes both technical equipment and personnel support for specific activities necessary for the 911 call answering function.

Wireless Miscellaneous

Wireline Miscellaneous

Special needs that are separated to provide county support in unusual circumstances that are not included in the generalized operations contracts.

Selective Router to PSAP

The network costs to get the calls from the Enhanced 9-1-1 selective router to the Public Safety Answering Points.

Statewide Services

Training for 911 call answers offered statewide under contract with the Criminal Justice Training Commission, a specialized training program on answering calls from the deaf community, over the phone interpreter service for about 100 languages available 24x7, and similar services that are available to all counties

Public Education

Primarily material publication and distribution for public education materials developed by a sub-committee to the E911 Advisory Committee. The materials are focused on assuring that people appropriately call 911 often with emphasis on particular situations such as backwoods recreation or boating incidents.

LEC interface costs

The port costs for carriers to connect to the E911 selective routers. This is the demarcation point as defined by the FCC for wireless carriers.

State Office Costs

Costs of operations for the State E911 Program Office.

Advisory Committee

Costs to support the E911 Advisory committee including room rent and travel reimbursement for the 10 meetings per year.

Coordinator Forums

The State program offers three training forums each year for County 911 Coordinators and other specialized county 911 personnel such as those who manage the databases or mapping components. The forums are two days each commonly with an attendance of near 100 persons.

Frame relay Wireline

Cost of supporting completion of or addition to the frame relay data transport network.

Carrier Cost Recovery

Wireless carrier cost recovery, if available. Carrier cost recovery for wireless carriers is done only after established PSAP fiscal needs have been met, at the end of the year, or biennium. The item is included as a place holder for this expenditure category.

Regionalization

The Program has a policy of supporting multi-county PSAP regionalization to the degree that the regionalization generates savings to the program during the first three years of the consolidate operation. This is a contingency in recognition of some county discussions.