



STATE OF WASHINGTON  
MILITARY DEPARTMENT  
EMERGENCY MANAGEMENT DIVISION

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August 30, 2007

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 2008. The \$7.6 million wireline tax revenue collected in 2007 was \$0.6 million less than collected in FY 2006, double the \$0.3 million decrease we had projected. It is anticipated wireline revenues will continue to go down, with another \$0.3 million decrease in wireline E911 revenues anticipated for FY 2008, as wireless and Voice over Internet Protocol (VoIP) phones continue to 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. State wireless E911 excise tax revenues increased by \$0.2 million in FY 2007. This additional tax resource is being used to assist counties with related Public Safety Answering Point (PSAP) operations and equipment upgrades. For FY 2008, the E911 Program Office anticipates the total tax collections for both wireline and wireless services to remain at approximately \$17.1 million, with the wireline revenue anticipated to be \$7.3 million of that total revenue. This is \$2.1 million less than the Department of Revenue forecast of \$19.2 million in total revenues for FY 2008. In FY 2007, actual revenues were \$1.2 million less than the Department of Revenue forecast. Department of Revenue forecasting models are typically based on long term trends while our estimates are based on recent experience and industry trends.

A continued Office of Financial Management requirement for FY 2008 is the separation of support into wireline and wireless components for tracking purposes.

Enclosed is a chart depicting the distribution of expenses for fiscal year 2008. The expenditures chart for FY 2008 includes both wireline and wireless expenditures. The expenses are based on the E911 Program spending authority of \$42.1 million set by the Office of Financial Management for the FY 2008-2009 biennium. If the Department of Revenue projections for

FY 2008 and 2009 (\$20.2 million in 2009) are correct, the E911 Program will have adequate funds at the current tax rate levels to meet its current FY 2008-2009 reimbursement schedule. If the E911 Program revenue projections are correct, the Program will make significant cutbacks in FY 2009 funding.

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 FY 2008 is 40% wireline and 60 % wireless.

For FY 2008 the Program Office continues to use a priority system for county assistance based on rules in the Washington Administrative Code. Customer groups have 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 for some items associated with caller location capabilities, computer-aided dispatch, and system additions necessary to accommodate technological changes. The Enhanced 911 Advisory Committee continues to be very active in giving advice to the State Program on activities including funding as well as forming subcommittees to review specific issues, or to investigate options on how the program may proceed in the future.

Current projects of significance being worked by the committee, subcommittees and the State Program Office include;

1. Review of Washington Administrative Codes pertaining to E911 taxation authority and items eligible for reimbursement through the program.
2. Development of a 6-year planning process to project system costs and analyze the revenue needs to assure that appropriate 911 service levels are maintained.
3. Investigation regarding greater utilization of centralized equipment in support of a Next Generation E911 (NG911) network system.
4. Upgrading the network to an internet protocol (IP) based platform (Next Generation 911 (NG911)).
5. Pandemic and related disaster contingency planning.

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. VoIP connection to Enhanced 911 systems now has protocols in place that permit VoIP customers to receive the benefits of 911 similar to those of wireline customers. Protocols are being forwarded through intense efforts at leading standard setting bodies that will permit Enhanced 911 systems to utilize VoIP technologies for call

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processing. These efforts are captured under the heading Next Generation 911 (NG911) which will ultimately be a complete revision of 911 call processing to utilize Internet Protocols for all message management, voice and data. The state E911 Program is leading these efforts both in planned early adoption as well as providing leadership to the standards efforts. The Program has also taken a leadership role in developing best practices for the 911 industry similar to those developed for the telecommunications industry under the Federal Communications Commission's National Reliability and Interoperability Council. Ongoing relationships have been established with the National 911 Office, a joint program of National Telecommunications Infrastructure Administration and the Department of Transportation.

A detailed Legislative report as was included with last year's E911 rate recommendation is not being produced this year. For 2008 the Legislature has requested a short presentation before the appropriate technical committees during the first two weeks of the session in lieu of a lengthy written report.

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

Sincerely,



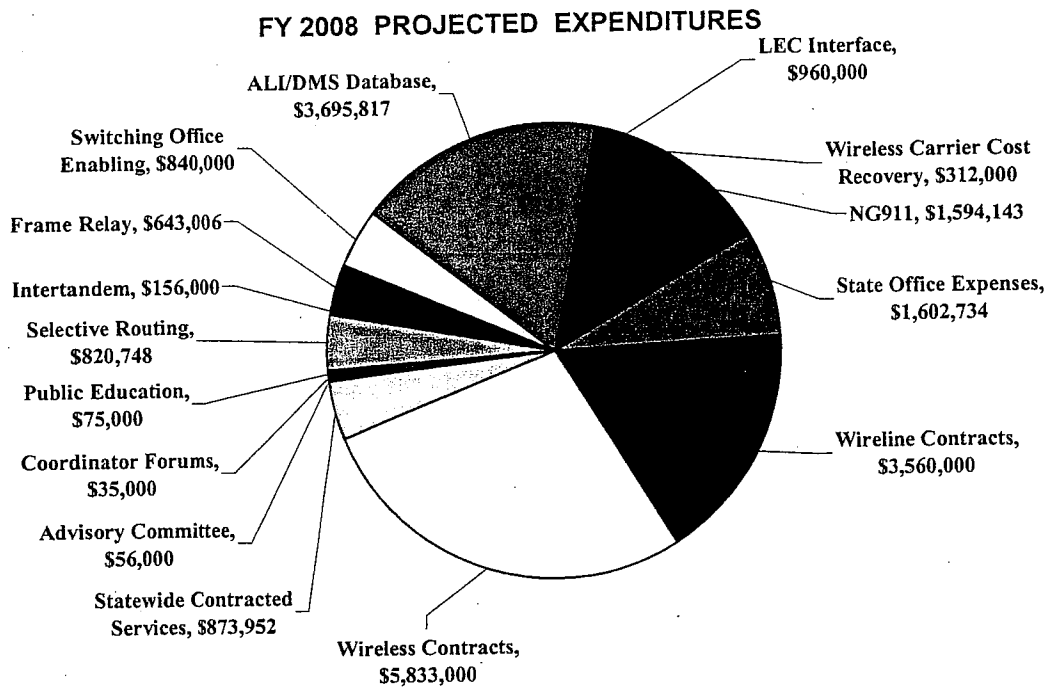
Robert G. Oenning  
Washington State E911 Administrator

RGO:bab

Enclosure: Fiscal Charts

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

Enclosure – Fiscal Chart & Notes



**Direct County Support (\$9,393,000)**

- 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.

**Statewide Services (\$8,376,523)**

- InterTandem  
Links between 911 switches that permit statewide on-network call transfer.
- Selective Routing  
The Enhanced 911 switching equipment that routes 911 dialed calls to the responsible Public Safety Answering Point (PSAP). The network provides paired dual routers with diverse facilities.
- E911 Frame Relay  
The data network provides for delivery of address information for both wireline and wireless calls.
- 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 responsible for 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.

- Switching Office Enabling**  
The costs associated with enabling 911 dialing at the carrier switching facilities.
- Wireless Carrier Cost Recovery**  
This is the negotiated rate paid to carriers to reimburse for actual costs of wireless Phase I or II expenses. This is a wireless expense and does not affect wireline reimbursement funding.
- ALI/DMS Database**  
The database system comprised of customer addresses, street address files and call routing codes that is used to determine routing for calls to 911 and for display of caller location data. Includes dynamic routing capability for wireless and VoIP calls.

**State Office, AC & Forums (\$1,693,734)**

- 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.

**Projects**

- NG911**  
The next evolutionary step in the development of the 9-1-1 emergency communications system known as E9-1-1 since the 1970s. It is a system comprised of managed internet protocol (IP) based networks and elements that augment present-day E9-1-1 features and functions and add new capabilities. NG911 will eventually replace the present E9-1-1 system. NG911 is designed to provide access to emergency services from all sources, and to provide multimedia data capabilities for PSAPs and other emergency service organizations.

