

UT-081630



STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION

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August 29, 2008

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 2009. The \$7.4 million wireline tax revenue collected in Fiscal Year 2008 was \$0.2 million less than collected in FY 2007. It is anticipated wireline revenues will continue to go down, with another \$0.2 million decrease in wireline E911 revenues anticipated for FY 2009, 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 \$0.6 million in FY 2008. This additional tax resource is being used to assist counties with related Public Safety Answering Point (PSAP) operations and equipment upgrades. For FY 2009, the E911 Program Office anticipates the total tax collections for both wireline and wireless services to be approximately \$18.0 million, with the wireline revenue anticipated to be \$7.3 million of that total revenue. This is \$1.9 million less than the Department of Revenue forecast of \$19.9 million in total revenues for FY 2009. In FY 2008, actual revenues were \$1.0 million less than the Department of Revenue forecast.

A continued requirement for FY 2009 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 2009. The expenditures chart for FY 2009 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. The Program Office has been managing the funds to stay within its revenue forecasts. The Legislature requested that for the 2008 Legislative session the required annual report be in the form of a short presentation before the House Technology, Energy and Communications Committee. The emphasis of that report was that the program faced major requirements to upgrade technology to keep pace with consumer products, and that the program costs were quickly approaching the revenues. The Legislature noted the



issue of the necessity to upgrade to Next Generation technologies and the issue of assuring an adequate funding base by appropriating funds to support a Next Generation 911 Funding Study to be completed before the 2009 Legislative Session.

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 2009 is 40% wireline and 60 % wireless.

For FY 2009 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, exemplifies 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 continue to be well supported with detailed documentation and operational data. Items supported range from salaries to computer-aided dispatch, and telephone system additions necessary to accommodate technological changes.

Current projects of significance include;

1. Support for standards adoption associated with Next Generation 9111 systems.
2. Involvement in national integration of 911 in Emergency Medical Services and health care pandemic planning.
3. Investigation regarding the utilization of centralized equipment in support of a Next Generation E911 (NG911) network system.
4. Work with groups planning improved 911 support for special needs communities.
5. Issuing a Request for Proposals for the installation of Nest Generation 911 networking to a limited number of sites.
6. Contracting for the completion of the Next Generation 911 study.
7. Contracting for a study of emergency notification systems (Reverse 911) per a funded request by the Legislature.
8. Review of contract policies and annual contract management with all counties.
9. Supporting a Washington Quality Award Assessment of the E911 Program operations.

The E911 Office continues to be actively involved in establishing technical standards for the operation of 911 networks including both wireline and wireless systems. Next Generation 911 (NG911) will ultimately be a complete revision to 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 and in providing leadership to the standards efforts. The implementation of NG911 has ramifications for industries not traditionally linked to the 911 data systems such as Emergency Medical Services, health care and transportation. The Program is taking a leadership role in developing contacts with these disciplines with the intent to maximize the benefits of improved technology through effective long term partnerships. .

Ms. Carole Washburn
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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,



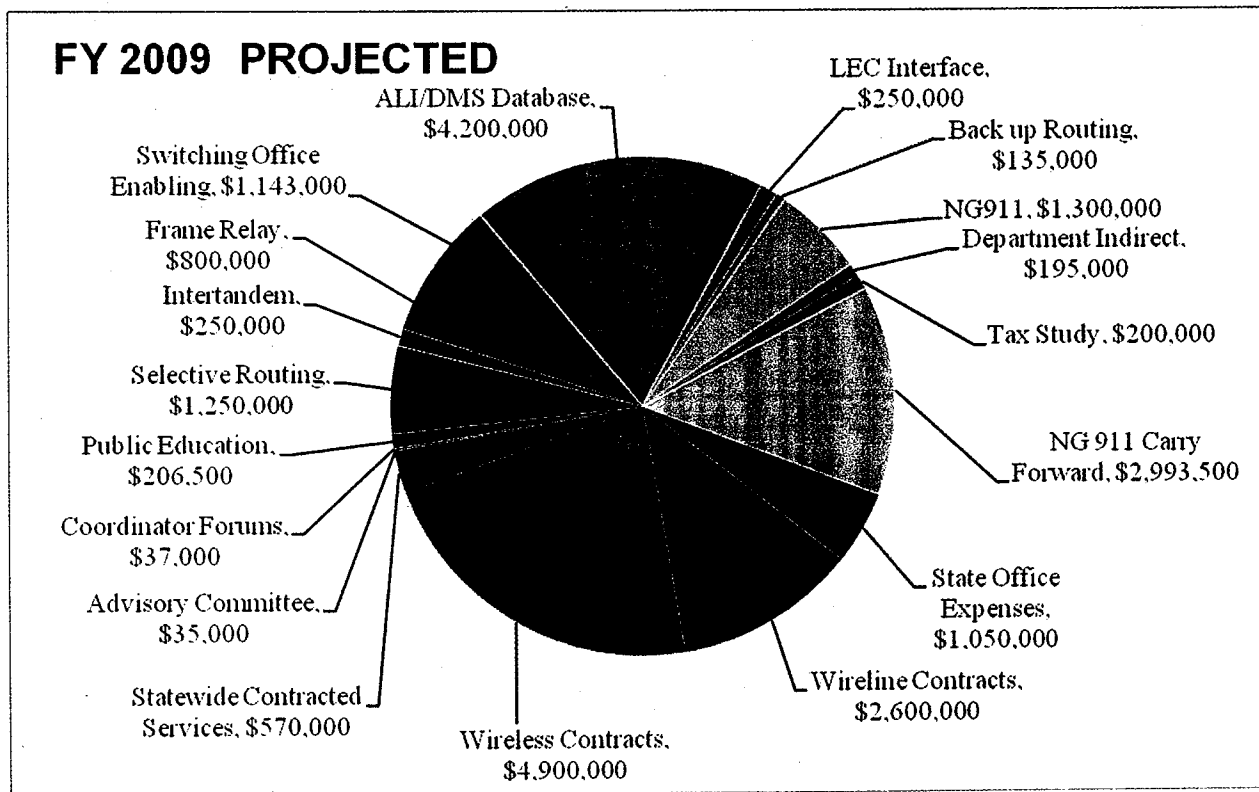
Robert G. Oenning
Washington State E911 Administrator

RGO:

Enclosure: Fiscal Chart

cc: Rebecca Beaton, Washington Utilities and Transportation Commission

Enclosure – Fiscal Chart & Notes



Direct County Support (\$7,500,000)

- 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.

Indirect County Support(\$8,804,500)

- 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.
- **Back up Routing**
Capability is provided for PSAPs to route incoming 911 calls to a backup facility to permit continuity of operations should they need to do so for some reason.
- **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.

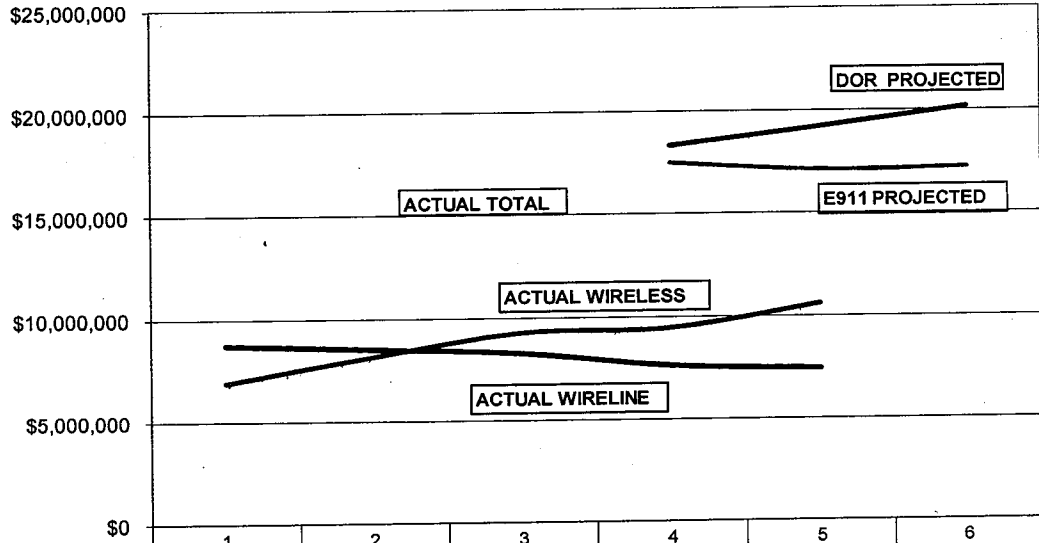
State Office, AC & Forums (\$1,517,000)

- **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.
- **Department Indirect**
Percentage overhead charge for Departmental accounting and other expenses that is applied to all funds managed by the Department where permitted by law.
- **Tax Study**
Legislative requested study of the costs and options for E911 tax options to support ongoing operations including NG911.

Projects – (\$4,293,500)

- **NG911**
An initial installation of NG911 technology as a proof of concept and to gain actual operational experience is being done in FY2009. The primary object is to replace existing connectivity to the PSAP with IP network services to assure full functionality of all current features and evaluate the potential for additional feature implementation.
- **NG911 Carry Forward**
It is planned to carry forward funds to support ongoing NG911 installations and to provide a fiscal cushion should revenues not meet current expectations.

E911 REVENUE



	1	2	3	4	5	6
— WIRELINE ACTUAL	\$8,725,058	\$8,508,977	\$8,249,882	\$7,609,181	\$7,418,337	
— WIRELESS ACTUAL	\$6,911,477	\$8,167,683	\$9,269,642	\$9,448,282	\$10,582,317	
TOTAL ACTUAL REVENUE	\$15,636,535	\$16,676,659	\$17,519,524	\$17,057,463	\$18,000,654	
— E911 OFFICE PROJECTION				\$17,500,000	\$17,100,000	\$17,200,000
— DEPT OF REVENUE PROJECTION				\$18,312,000	\$19,209,600	\$20,169,600