



STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION

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September 15, 2008

Mr. David Danner, Secretary
Washington State Utilities and Transportation Commission
Chandler Plaza Building
1300 South Evergreen Park Drive S.W.
Olympia, Washington 98504

Re: Petition for 2010 Excise Tax E911

Dear Mr. Danner:

The Enhanced 911 (E911) Program Office recommends the state E911 wireline excise tax continue at the current rate of 20 cents in 2010. The \$7.6 million wireline tax revenue collected in Fiscal Year (FY) 2009 was \$0.2 million more than collected in FY 2008, an unanticipated but small increase. It is anticipated that wireline revenues will either remain constant or decline in FY 2010 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 \$2 million in FY 2009. This additional tax resource is being used to assist counties with related Public Safety Answering Point (PSAP) operations and equipment upgrades. For FY 2010, the E911 Program Office anticipates the total tax collections for both wireline and wireless services to be approximately \$20 million, with the wireline revenue anticipated to be \$7.6 million of that total revenue. This is only \$0.2 million less than the Department of Revenue forecast of \$20.2 million in total revenues for FY 2010. In FY 2009, actual revenues were within \$0.2 million of the Department of Revenue forecast.

A continued requirement for FY 2010 is the separation of support into wireline and wireless components for tracking purposes.

Enclosed is a chart depicting the distribution of expenses for FY 2010. The expenditures chart for FY 2010 includes both wireline and wireless expenditures. The expenses are based on the E911 Program spending authority of \$39.6 million set by the Office of Financial Management for the FY 2009-2011 biennium. The E911 Program Office anticipates requesting supplemental funding from the Legislature of approximately \$8.4 million in 2010 in support of dual network operations associated with Next Generation 911 implementation.



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. The split for FY 2010 is 40% wireline and 60% wireless.

For FY 2010 the E911 Program Office continues to use a priority system for county assistance based on the 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 service provided within each county. 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 that are supported range from salaries to computer-aided dispatch, and telephone system additions necessary to accommodate technological changes.

An analysis of the feasibility of migrating to an Internet Protocol (IP) based call management system for 911 operations was positive and a request for proposals was issued to acquire this advanced network capability. A team headed by Qwest with support from Intrado was selected to begin a phased implementation of this Emergency Services Information network (ESInet). They are well underway with much of the transport network now operational and the software and packet management control portions under development. The new system will run parallel with the current 911 system with the first phase including implementation of full service for up to 8 Public Safety Answering Points in proof-of-concept trials. Other PSAPs will then be converted based on normal equipment upgrade schedules or in groups as the capability of the new network to consolidate equipment is implemented.

Additional projects of significance include;

1. Support for standards adoption associated with Next Generation 911 systems.
2. Involvement in national integration of 911 in Emergency Medical Services and health care services.
3. Implementation of a major "What's Your Location?" public education campaign.
4. Work with groups planning improved 911 support for special needs communities.
5. Implementing an Internet based secure contract and reimbursement request system to expedite contract activities with 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. 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 E911 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.

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

Sincerely,

A handwritten signature in black ink that reads "Bruce A. Beardson". The signature is written in a cursive style with a long horizontal stroke at the end.

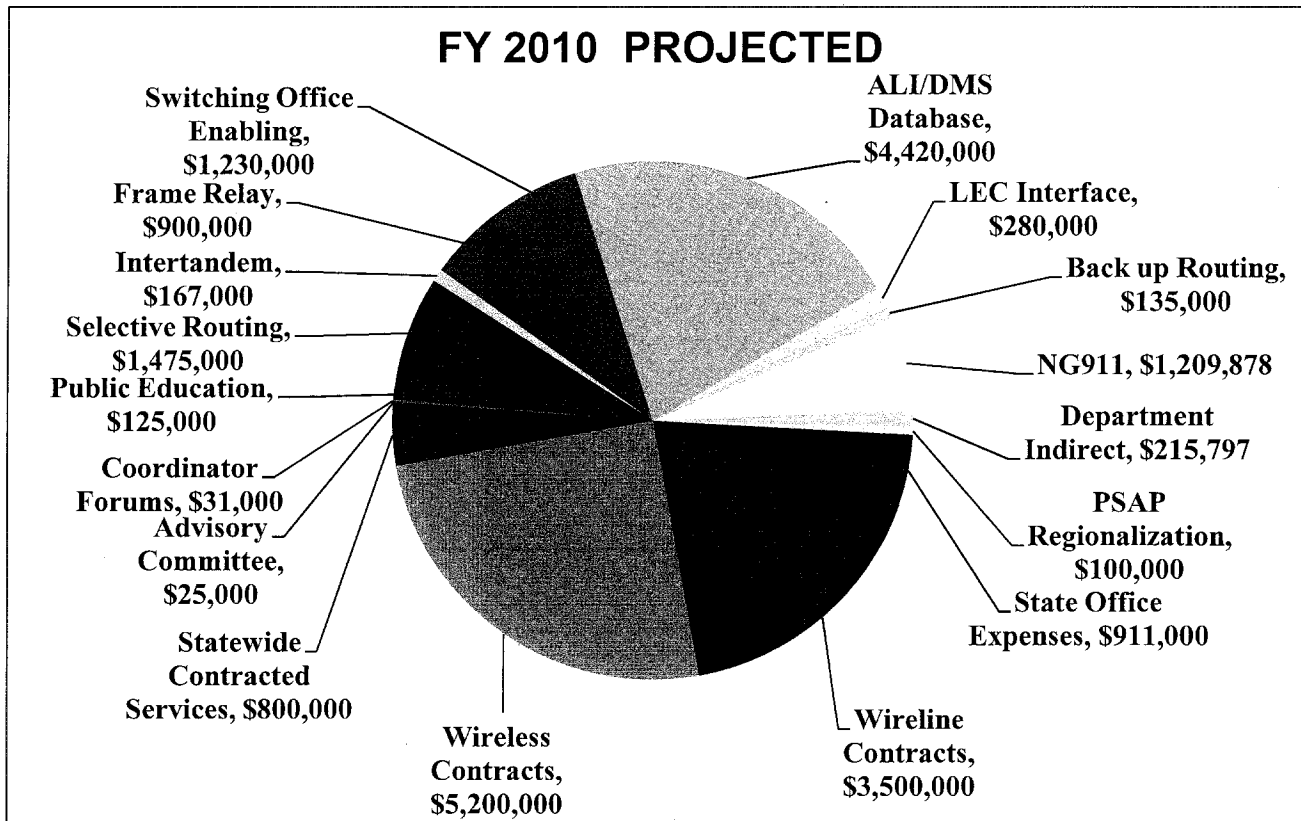
Bruce A. Beardson
Washington State E911 Customer Support Section Supervisor

BAB:amo

Enclosure: Fiscal Chart

cc: Rebecca Beaton, Washington State Utilities and Transportation Commission

Fiscal Chart & Notes



Direct County Support (\$8,700,000)

- 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(\$9,532,000)

- 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.

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- 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 (\$2,282,797)**
 - 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. ..

- Projects – (\$1,209,878)**
 - NG911
An initial installation of NG911 technology as a proof of concept and to gain actual operational experience is being done in FY2010. 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.