



STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION

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August 30, 2008

Mr. David Danner
Executive Director/Secretary
Washington State Utilities and Transportation Commission
Chandler Plaza Building
1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, Washington 98504-7250

2010 AUG 30 AM 8:03

Re: Petition for 2011 Excise Tax E911

Dear Mr. Danner:

The Enhanced 911 (E911) Program Office recommends the state E911 wireline excise tax on switched access lines and the interconnected Voice over Internet Protocol (VoIP) service line excise tax be set at twenty-five cents (\$0.25) for the calendar year 2011. This will be in compliance with the provisions of SSB 6846 Sec. 3 § 8 that requires that these be set at their maximum rate for calendar year 2011.

The \$7.1 million wireline tax revenue collected in Fiscal Year (FY) 2010 was \$0.4 million less than collected in FY 2009, a decrease of 5%. It is anticipated that wireline revenues will decline in FY 2011 as wireless and Voice over Internet Protocol (VoIP) phones continue to displace traditional wireline services.

The interconnected VoIP service line excise tax was created by SSB 6846 with an effective date of 1 January 2011. Anticipated revenues from that additional source are estimated at less than 2% of the total or \$900 thousand dollars for the first 6 months of FY 2011.

The state E911 excise tax on wireless subscribers has been adjusted by the Legislature to a fixed rate of 25 cents per month per subscriber. State wireless E911 excise tax revenues were stable from 2009 through 2010 making the anticipated increase in receipts primarily due to this rate increase. This additional tax resource is being used primarily for the implementation of the Next Generation 911 (NG911) network which will include PSAP equipment upgrades where equipment consolidation is practicable. For FY 2011, the E911 Program Office anticipates the total tax collections for wireline, wireless and VoIP services to be approximately \$22.8 million, with the wireline revenue anticipated to be \$7.1 million of that total revenue.

Because of some reporting requirements in the statute that are unique to wireless, we will continue to separate the support to counties into two components.



Enclosed is a chart depicting the distribution of expenses for FY 2011. The expenditures chart for FY 2011 includes all expenditures. The expenses are based on the E911 Program spending authority of \$26.0 million set by the Office of Financial Management for the FY 2011 biennium including a supplemental appropriation granted by the Legislature associated with NG911 implementation.

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 E911 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.

The migration to an Internet Protocol (IP) based call management system for 911 operations is well underway with the ESInet operational statewide, database conversions complete and eight Public-Safety Answering Points (PSAPs) operational on the network. These eight PSAPs were chosen to test the system capabilities with various customer premise equipment and different network configurations in order to form a base of operational issues to use when converting the remainder of the 911 network to the Internet Protocol based platform. The results have been positive and commitments have been made to complete the conversion of all PSAPs by the end of FY2011.

The new system is running parallel to the current 911 system while PSAPs are moved to it. As the conversion is completed some of the legacy E911 network can be discontinued but until all elements have been disconnected the costs will remain.

Additional projects of significance include;

1. Support for standards adoption associated with NG911 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.
6. Implementing a program for supporting the conversion of the static address files used in call routing to a dynamic Geographic Information System.
7. Implementing a program of specific assistance for counties related to assuring cyber security for 911 and related systems.

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 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

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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.

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,



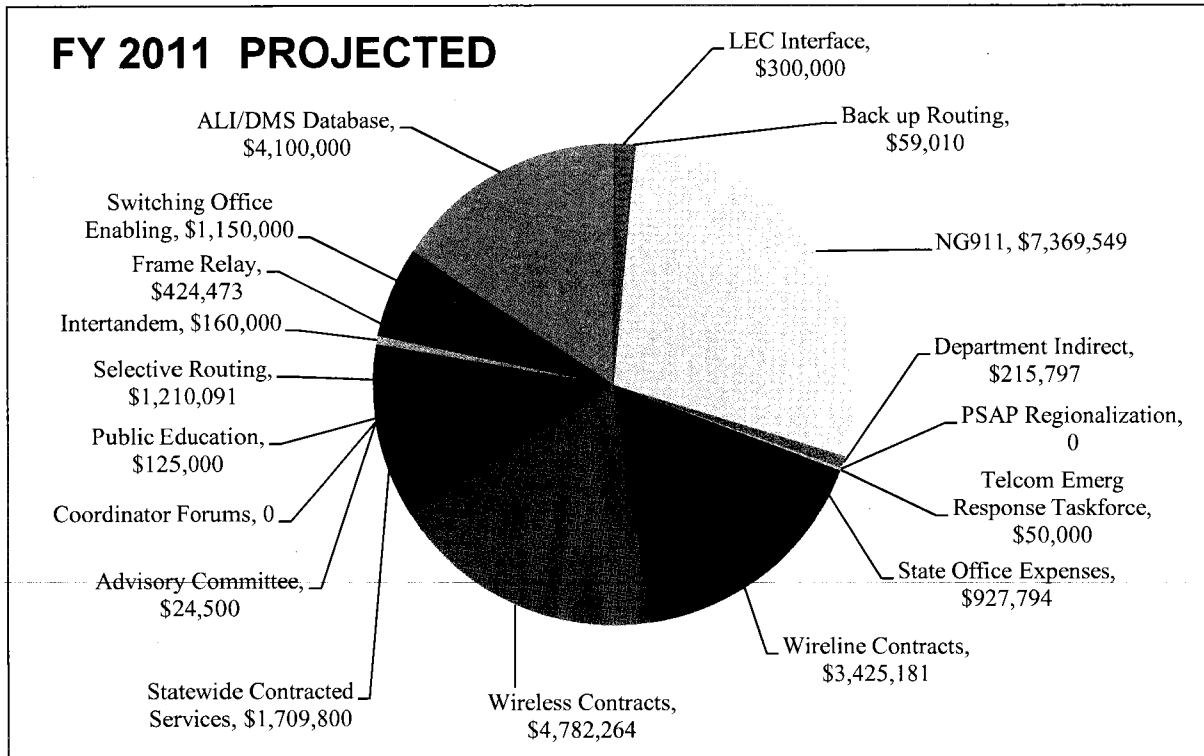
Robert G. Oenning
Washington State E911 Administrator

RGO:amo

Enclosure: Fiscal Chart

cc: Rebecca Beaton, Washington State Utilities and Transportation Commission

Fiscal Chart & Notes



Direct County Support (\$8,120,446) (31%)

- County Wireline Operations Contracts
- County Wireless Operations Contracts
- Telecommunications Emergency Response Taskforce

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. Telecommunications Emergency Response Taskforce is a program that makes 911 personnel available to counties in disaster situations with the state reimbursing costs that are not recovered from disaster accounts.

Indirect County Support(\$9,238,374)(35%)

- 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. This category also includes all the access lines to the PSAPs.
- 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 (\$1,168,091)(4%)

- 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. Legislative restrictions on the use of rented facilities dictate that for FY 2011 these meetings will be held in rent free public facilities.
- PSAP Regionalization
Practice is to budget a set aside for studies in support of county decisions to investigate the potential of forming regional 911 call answering centers. For FY 2011 no funds are budgeted due to the Legislative restrictions on hiring consultant assistance that would be used for this project.
- 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 – (\$7,369,549)(28%)

- NG911
The initial installation of NG911 technology as a proof of concept and to gain actual operational experience was done in FY2010. The network is fully operational and 8 PSAPs are connected. The current project is to complete the remaining counties including equipment consolidation between counties if practicable. The primary object is to replace existing connectivity to the PSAP with IP network services to assure full functionality of all current features at this time with additional feature implementation once the network is proven stable.