

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

Rulemaking to consider amendment)	
of WAC 480-12-450,)	Docket No. UT-041629
Enhanced E911 obligations of)	
local exchange companies)	
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COMMENTS OF VERIZON NORTHWEST

Verizon Northwest Inc. (Verizon) provides the following initial comments on the Pre-Proposal Statement of Inquiry issued in this docket.

This inquiry stems from a request by the Emergency Division (EMD) of the Military Department to establish a uniform demarcation point in the E911 network for carrier cost recovery. Specifically, EMD proposes that the demarcation point for 911 cost allocation for all carriers should be the E911 selective router. A major effect of this proposal would be to shift the costs of transport of 911 calls from the County Public Safety Answering Points (PSAPs) to Verizon and other local exchange carriers. Verizon opposes this request on several grounds.

First, EMD's claim¹ that the FCC's *King County* decision² "clarified" the universal service obligation to provide 911 and requires wireline carriers to bear E911 transport costs is not correct. As the Commission's Staff explained in its November 10 memorandum, the *King County* decision set forth the demarcation point for *wireless* carriers; it does not apply to wireline carriers. Moreover, the *King County* decision

¹ Bob Oenning email to carriers dated November 12, 2004.

² Order on Reconsideration, CC Docket No. 94-102 (rel. July 24, 2002) (hereinafter *King County*).

expressly recognized that wireline carriers – especially incumbent local exchange carriers such as Verizon (ILECs) – could properly have different demarcation points because they do not have the same ability as wireless carriers to recover their transport costs from end users:

14. *Wireless E911 Cost Allocation and Configuration of Wireline Network Components.* We reject Petitioners’ argument that the Bureau erred in treating wireless carriers differently from wireline carriers for E911 cost-allocation purposes. . . . We agree with TX-CSEC that *US Cellular* provides judicial support for the Bureau’s decision. That case, concerning cost recovery, and the case at hand, concerning the nature and extent of the costs themselves, are analogous. In *US Cellular* the court sanctioned the Commission’s disparate treatment of wireless and wireline carriers, stating that “an important difference in the way [wireless and wireline] service is regulated,” provides “more than sufficient reason” for eliminating the cost recovery prerequisite for wireless carriers, despite wireline carriers’ ability to recover their costs through PSAP tariffs. Thus, the Petitioners’ arguments based on cost-allocation practices in the wireline industry are without merit.

15. Furthermore, we recognize, as did the Bureau, that no single E911 cost allocation paradigm exists for the wireline industry -- the PSAP bears the costs of funding the trunkline between the 911 Selective Router and the wireline carrier’s end office in some instances, but not in all instances. In many jurisdictions, ILECs, whose rates are regulated, are treated differently from Competitive Local Exchange Carriers (CLECs), whose rates are not regulated. Specifically, the costs associated with the transmission of an E911 call from the ILEC’s end office to the 911 Selective Router are generally borne by the PSAP, but this is not necessarily true for CLECs. The E911 cost allocation for CLECs varies by jurisdiction, and, in many cases, the CLEC is responsible for the costs of transmitting a customer’s 911 call from its end office to the 911 Selective Router. Had the Bureau viewed wireline E911 cost allocation practices as determinative, the more analogous cost allocation methodology would arguably have been that applicable to CLECs, because both CLECs and wireless carriers can recover their costs from customers in any reasonable manner. (emphasis added)

In short, the *King County* decision supports the current practice of requiring PSAPs to bear 911 transport costs.

Second, Verizon's E911 transport charges are set forth in its lawfully filed and approved tariff.³ This is the result of implementing legislative policy in Washington that recognized that local exchange companies are entitled to be paid for providing this service, and the state's E911 funding systems has long been designed to accommodate this fact. Except for its erroneous *King County* argument, EMD has not alleged – nor could it – that Verizon's tariff is unreasonable or that its transport charges are unjust. Accordingly, there is no basis for amending the tariff. Also, the Commission should bear in mind that if local exchange companies were required to absorb the cost of this transport they would not only lose revenue but would in many cases likely incur new costs by having to pay other carriers to transport traffic to selective routers located outside the companies' service territory.

In addition, a rulemaking is not a proper process for changing tariffed rates.⁴

For these reasons, EMD's request should be denied and this docket should be closed.

³ WN U-17, Section 12, "911 Emergency Telephone Service."

⁴ See. *WITA v. WUTC*, 64 P.3d 606 (Wa. Sup. Ct. 2003).