



STATE OF WASHINGTON
MILITARY DEPARTMENT
EMERGENCY MANAGEMENT DIVISION

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September 13, 2019

Mr. Steven V. King
Executive Director and Secretary
Washington State Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Re: Petition for 2020 E911 State Excise Tax by the Washington Military Department, Emergency Management Division, State E911 Coordinator's Office

Dear Mr. King:

Under Revised Code of Washington (RCW) 82.14B.030(9), the Washington State Military Department (WMD)'s, Emergency Management Division (EMD) State Enhanced 9-1-1 (E911) Coordinator, must recommend to the Commission the appropriate level of tax, based on a systematic cost and revenue analysis.

Recommended Excise Tax Rate

The Military Department's Emergency Management Division, State E911 Coordination Office, recommends the state E911 excise taxes on wireless, wireline, prepaid wireless and Voice over Internet Protocol (VoIP) continue at the current rate of twenty-five cents (\$0.25) per month, and per retail transaction in the case of prepaid wireless, in calendar year 2020.

Background

On January 1, 2011, the legislature, through SSB 6846, increased the state E911 tax from \$.20/device/month to \$.25/device/month for wireline and wireless services, as well as VoIP devices. On June 30, 2013, the Governor signed HB1971 into law, requiring prepaid wireless retailers to remit E911 tax at the same level as the other classes of service on each retail transaction beginning January 1, 2014. This is the maximum level set by the legislature and hasn't changed since 2011.

In FY2019 the state collected \$26,464,676 in revenue for the State E911 Telephone Tax. This was an increase of approximately \$200,000 over FY2018. We are observing slight increases in the revenue for wireless, VOIP and prepaid wireless. There continues to be declines in the

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revenue for wireline as more people move away from traditional wireline services. These trends are expected to continue for the foreseeable future.

Expense Distribution

The 19-21 Biennium budget authorization for 911 was \$53.466 Million. Per Revised Code of Washington (RCW) 38.52.545 and WAC 118-66-050, the State E911 Coordination Office expends E911 funds based on the following priorities to the counties:

1. To assure that 911 dialing is operational statewide. The State E911 Coordination Office pays all network and database costs for those counties which have enacted the maximum local tax allowed under RCW 82.14B.030(1). Service providers bill the State E911 Coordination Office directly for these costs.
2. To assist counties as necessary to assure that they can achieve a basic service level for 911 operations. The State E911 Coordination Office, with advice from the E911 Advisory Committee, has established funding eligibility criteria for Public Safety Answering Point (PSAP) telephone system and basic service costs. These are the first two priority items included in eligible county contracts. To be eligible for state assistance, a county must have spent all its local E911 excise tax revenue on eligible items.
3. To assist counties as practicable to acquire items of a capital nature appropriate to modernize 911 systems and increase 911 effectiveness. The State E911 Coordination Office, with advice from the E911 Advisory Committee, has established funding eligibility for those capital items needed in a PSAP.

County Assistance

For FY2020 the E911 Program Office will continue to use the priority system in WAC 118-66-050 for county assistance. Based on the rules in RCW 38.52 and WAC 118-66, the State E911 Coordination Office and the Policy Subcommittee of the E911 Advisory Committee have updated policies to ensure the WAC provisions are being adhered to, the program budget is sustainable, and at a minimum a baseline level of quality service to our citizens is provided within each county.

The State E911 Coordination Office evaluates County requests for financial assistance for all components of the E911 system through a standardized application process. Counties verify expenses by providing payment documentation. Submission of operational data from each county is a contractual requirement. The State E911 Coordination Office reimburses eligible items ranging from call taker salaries to computer-aided dispatch.

All state and county E911 excise tax revenues are remitted by vendors directly to the Washington State Department of Revenue (DOR), which in turn distributes the appropriate funds to the respective government entities in accordance with RCW Chapter 82.14B.

Next Generation 9-1-1 (NG911)

In 2016 the State E911 Coordination Office completed acquisition of a new National Emergency Number Association (NENA) i3 standards-based Emergency Services Internet Protocol network, (ESInet II), as a service provided by Telecommunications Systems, Inc (TCS) now doing

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business as Comtech Telecommunications Corp. Implementation and transition to the new statewide 911 network has been underway for over two years and is scheduled to be completed by January 2020.

The new network will provide several advantages including integrated text to 911 and the ability to transmit multiple media types (text, images, video, etc). A central feature of the new network incorporates a geospatial call routing feature, which will replace the traditional automatic location information (ALI) database. Additionally, the new network design will incorporate enhanced cyber/security protections.

911 Cost Study

Included in the 19-21 Operating Budget was a requirement for the Military Department to complete a study of the 911 system and provide a report to the appropriate legislative committees by October 1, 2020. The report must include:

- A. The actual cost per fiscal year for the state, including all political subdivisions, to operate and maintain the 911 system including, but not limited to: the ESInet, Call handling equipment, personnel costs, facility costs, contractual costs, administrative costs and legal fees.
- B. The difference between the actual state and local costs and current state and local 911 funding.
- C. Potential cost-savings and efficiencies through the: Consolidation of equipment, regionalization's of services or merging of facilities, positive and negative impacts on the public, legal or contractual restrictions and appropriate actions to alleviate these constraints.

The State E911 Coordination Office has commenced the study and anticipate that the findings will have a major impact on 911 funding in the future.

Thank you for the continuing support that the Washington State Utilities and Transportation Commission provides to the State E911 Coordination Office. If you have any questions, please do not hesitate to contact this office at (253) 512-7468.

Sincerely,



Adam Wasserman
Washington State E911 Coordinator

cc: Rebecca Beaton, Washington State Utilities and Transportation Commission