

Agenda Date: October 25, 2006
Item Number: A4

Docket: UT-061398

Company Name: Telecommunications, General

Staff: Rebecca Beaton, Senior Analyst
Bob Williamson, Senior Engineer

Recommendation

Grant the petition by the Military Department, Emergency Management Division, Enhanced 911 (E911) Program Office, to continue the state E911 excise tax at the current rate of twenty cents per switched access line through 2007.

Background

The Military Department, Emergency Management Division, State E911 Program Office (EMD), recommends the state E911 wireline excise tax continue at the current rate of twenty cents (\$0.20) per switched access line through 2007.

RCW 82.14B.030 requires the Washington Utilities and Transportation Commission (Commission) to determine by October 31st each year the amount of the E911 excise tax. This tax is applied to each switched access line monthly. The level of the excise tax is based on the recommendation provided to the Commission by EMD, after review by the Military Department and the Department of Revenue. The E911 excise tax was established in 1991 by Referendum 42, Substitute House Bill 1938. The excise tax maximum was set at \$0.20 by the Legislature and has been at that rate per line since 1991. The E911 excise tax was extended to wireless subscribers in 2003 at twenty cents per month per subscriber and used to assist counties with related Public Safety Answering Point (PSAP) operations and equipment upgrades.

Discussion

EMD submitted to the Commission its annual report of revenues, expenditures, and budgets relating to the statewide provision of E911 service. EMD also filed with the Commission a copy of its annual report to the legislature. The annual E911 legislative report is a new requirement established in November 2005. E911 tax collections for wireline and wireless services are expected to be 17.8 million dollars. Wireline revenue is expected to account for 7.9 million dollars of the total revenue. The separation of support into wireline and wireless components is required for tracking purposes and shared activities are split between the two funding sources. The 2007 service split is fifty percent wireline and 50 percent wireless. This is a change from 2005/2006 where the service split was sixty/forty wireline/wireless.

EMD uses a priority system for county assistance based on rules in the Washington Administrative Code. The E911 State Advisory Committee, of which the Commission is a voting

member, has taken an active role in reviewing policies to confirm county sustainability and equality. Counties request and receive budget support from EMD for both wireline and wireless components of the E911 system such as caller location capabilities, computer aided dispatch, and system upgrades to accommodate new technologies.

Voice over Internet Protocol (VOIP) continues to be a major focus of the E911 program since the FCC ruling requiring VOIP providers to support an E911 interface by December, 2005. A proviso attached by the Washington legislature to E911 expenditures limits the total expenditure of funds for specific VOIP efforts to those E911 tax receipts that are collected from VOIP carriers. EMD and DOR submitted a joint report to the Legislature in November of 2005 regarding VOIP service support by the E911 community. EMD anticipated the legislature will address the issue of VOIP during the 2007 session.

EMD's current projects include upgrading the network to an internet protocol (IP) based platform called Next Generation 911; E911 role in pandemic contingency planning; upgrading the E911 database from sequential data files to extensible markup language (XML) files; installation of a real-time E911 traffic monitoring system; and ordering Telecommunications Service Priority (TSP) for a select group of circuits.

EMD continues to be involved in drafting the E911 national technical standards for networks. Information formats for E911 centers have been standardized with a new data format in 2006, and VoIP connections have protocols established. EMD and the Washington state E911 communities are in the process of developing best practices for the E911 industry similar to those developed under the FCC's Reliability and Interoperability Council.

Conclusion

Staff recommends the Commission grant the petition by the Military Department, Emergency Management Division, E911 Program Office, to continue the state E911 excise tax at the current rate of twenty cents through 2007.