STATEMENT OF
S. MARK TULLER, VICE PRESIDENT & GENERAL COUNSEL
VERIZON WIRELESS

SUBCOMMITTEE ON TELECOMMUNICATIONS
SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

HEARING ON E911 IMPLEMENTATION AND PSAP READINESS

March 5, 2003

Thank you for the opportunity to appear before you today. I am Mark Tuller, Vice President and General Counsel of Verizon Wireless. Verizon Wireless serves over 30 million customers in 49 states and the District of Columbia. Our position in the industry gives us a unique perspective on the challenges of implementing E911.

I commend Chairman Burns and the Members of the subcommittee for holding this important hearing to discuss this critical issue for consumers, the nation, and the wireless industry. Verizon Wireless and all wireless carriers have long recognized the importance of providing E911 service to the public. Wireless phones help ensure public safety on highways, in cities, towns, workplaces and neighborhoods. More than 137 million wireless users in the United States make more than 150,000 calls daily for help or to report an emergency.

Since the first FCC proceedings on this issue in the mid 1990s, and the subsequent passage of Chairman Burns's landmark Wireless Communications and Public Safety Act of 1999, we've come a long way and seen tangible results. Verizon Wireless has made significant commitments to the full and successful implementation of E911. We have successfully implemented extensive network component upgrades, overhauled our handset specifications and purchased modified handsets, and completed a complex series of tasks

associated with providing enhanced 911 Phase I and Phase II location services[1]. Other wireless carriers have also worked tirelessly. As of January 15, 2003:

- Verizon Wireless provides Phase I E911 service to a total of 1,728 PSAPs serving an estimated population of 120 million residents in 38 states. We're presently working on filling about 175 requests for Phase I service.
- Verizon Wireless has met all milestones for making its national network capable of providing Phase II service to meet PSAP requests.
- Verizon Wireless now provides Phase II service to 261 PSAPs in FL, IL, IN, NY, OH, PA, RI, SC, TN, TX, VA, and VT, serving an estimated population of 30 million residents. Verizon Wireless is presently working on about 125 requests for Phase II service.
- Verizon Wireless currently offers ten handset models that are Phase II Global Positioning System (GPS) location-capable and is meeting its FCC handset sales milestones.

The work we've done with the public safety community is extensive, yet if you consider that there are over 6,000 PSAPs operating in the country there is still far more that needs to be done before the country has full E911 capability. There are still critical issues to resolve regarding E911 implementation. These issues are:

- PSAP and LEC readiness and coordination
- The unfair, confusing, and inadequate system of funding—or rather, not funding—the

[1] Under the FCC's rules, wireless E911 has been deployed in two phases: Phase I E911 service provides emergency call takers with the telephone number of the mobile caller along with the location of the radio transmitter (cell site) handling the call. Phase II E911 service improves upon the accuracy of the information by estimating the caller's latitude and longitude of the mobile caller's location. This Phase II latitude-longitude information is derived either though the use of location determining equipment embedded in the mobile caller's handset, in the network or a combination of both.

deployment of E911 service

- The need for a firm public safety plan

I. THE HATFIELD REPORT AND OVERALL STATUS OF WIRELESS E911 – "IF WE BUILD IT, WHEN WILL THEY COME?"

As you can see, Verizon Wireless has done all that has been asked of us to make our nationwide network ready to meet PSAPs Phase II service requests. We invested more than $50 million in capital to "build it," yet only about 400 of the over 6,000 PSAPs in the country have made themselves ready to order and use Phase II service. And every one of the new phones that we're bringing to market now has GPS-capable location capabilities built in. Regrettably these nationwide capabilities are going to waste. The critical factor that must be overcome is making sure that PSAPs are able to get their equipment, vendors and staffs up to speed rapidly to be able to accept and use this Phase II service. The Federal Communications Commission (FCC) enlisted Dale Hatfield to conduct an analysis and report on the technical and operational issues that affect wireless E911 deployment. Dr. Hatfield found that this lack of PSAP readiness has impacted nationwide E911 capabilities[2]. Mr. Hatfield's inquiry confirmed that the focus of attention has "shifted from discovering, developing, evaluating and selecting the ways of locating mobile units to integrating the location information into the existing E911 system." More specifically, now that wireless carriers have selected and begun their deployment of location technologies, there is a need for increased attention on, among other things, PSAP and LEC readiness.

[2] A Report on Technical and Operational Issues Impacting The Provision of Wireless Enhanced 911 Services Prepared for the Federal Communications Commission by Dale Hatfield.

While wireless carriers, in the midst of the most restrictive financial environment in their history, are required by the Commission's rules to deploy location technologies and must comply with strict implementation deadlines that are not conditioned on the readiness of PSAPs or the underlying wireline infrastructure, the Commission's wireless E911 rules impose no requirements on either PSAPs or LECs that mandate upgrades to their capabilities on the same schedule the Commission has imposed on wireless carriers. As a result, the wireless industry is in the process of investing hundreds of millions of dollars to deploy wireless E911 capabilities without any assurance that wireless customers will benefit from the location capabilities wireless carriers are incorporating into their handset and network infrastructures. Verizon Wireless and the wireless industry welcome the findings of the Hatfield Report and its emphasis on the importance of involving all of the critical stakeholders who must integrate wireless location information into the 911 systems to better serve the public.

Significantly, the Hatfield Report addresses the issue of PSAP readiness, and concludes that PSAP readiness remains a potential detriment to the rapid and efficient rollout of wireless E911 services due to a limit on how much coordination can be carried out on a volunteer basis by PSAP personnel with full time responsibilities in their home agencies; the difficulty PSAPs are encountering obtaining sufficient funding to request wireless E911 (there are at least 4,000 PSAPs that have never requested Phase I services from Verizon Wireless, and 94% have still not requested Phase II); and even more troubling, the recent redirection of E911 funds by state legislatures who seek to fund other programs; and the lack of an advocate (or "champion") at the Federal level of government that would work with state and local entities to educate PSAPs on the importance of E911 in general, and wireless

E911 services in particular.

II. NOT JUST PSAPS: COORDINATING LEC CAPABILITY

E911 technology involves not only wireless carriers and PSAPs, but also local wireline carriers. For example, some technology changes involving the local exchange carrier's (LEC) Automatic Location Information (ALI) database are required for the ability to get continuous inquiry into a wireless caller's location, not just a one-time inquiry at the start of the call. This is necessitated by the mobile nature of wireless communications. This "continuous-inquiry" functionality, requested by PSAPs and supported by the wireless industry, requires upgrades to LECs' interface with the ALI database.

Our experience in the Verizon wireline territory has been positive. But many of the country's major local exchange carriers reported they were still in the process of adding this capability to all their ALI databases when asked by the FCC. Some LECs are still seeking state commission approvals to changes to their tariffs, and some of these requests are being challenged by PSAPs. Waiting for these upgrades and changes to these tariffs and pricing schedules have contributed to deployment delay.

III. THE TAX AND REIMBURSEMENT PROGRAMS OF SOME STATE AND LOCAL GOVERNMENTS HAVE BEEN UNFAIR TO CUSTOMERS, WIRELESS CARRIERS, AND PSAPS

Verizon Wireless thinks it's time to examine the state and local taxes assessed upon wireless consumers to pay for the costs of E911 implementation, and the administration of the resulting funding pools. The idea was to tax wireless customers to reimburse PSAPs and

carriers for the enormous costs of E911 deployment. Unfortunately, the customers are being taxed for a service that often is not being provided; the PSAPs are frequently not receiving adequate funding from the pools; and wireless carriers are not being fully reimbursed for their costs.

Although wireless subscribers contribute approximately $700 million a year to support wireless E911 service, this money is not always provided to the PSAP serving the subscriber's home market. For example, as the *New York Times* recently reported, because New York City and Long Island operate their own emergency 911 systems, they do not share in the over $40 million raised by the state through consumer surcharges.

Worse still, some states have "raided" their E911 coffers to cover budget deficits. New York was one of the first states to add a "9-1-1 tax" on monthly wireless bills. Ten years later, New York has collected over *$200 million* from wireless customers, but much of the money has been diverted to other things. Auditors found that the 9-1-1 funds have paid for police radios, travel expenses and dry cleaning. In California, more than $50 million dollars earmarked for PSAP implementation of E911 was diverted in 2001 to close gaps in the state budget. North Carolina similarly decided to spend millions of E911 dollars on other unrelated matters. Consumers' ability to benefit from emergency location information would be greatly enhanced if PSAPs had access to, and could prioritize the use of, the hundreds of millions of dollars being collected from wireless consumers.

Twenty six million of our thirty two million Verizon Wireless customers remit over $130 million annually to pay for E911 implementation. Yet we receive slightly less than a $1 million per month for reimbursement of costs associated with E911 implementation. Well over ninety percent of the cost recovery money we do receive is for Phase I deployment.

And we've not yet been paid for the more than $50 million in up-front expenditures for our nationwide Phase II network enhancements or the costs of location-determination capability added to each GPS handset.

The inadequate funding and redirection of the 911 surcharge monies collected from wireless customers is the single biggest obstacle to ubiquitous deployment of E911. Congress must use its oversight authority to bring an end to the scheme of collecting 911 surcharges which are never used to reimburse PSAPs or carriers for cost associated with E911 implementation. We also expect during the legislative sessions in many states to be facing "Homeland Security" taxes and fees either as direct surcharges on our customers or as charges to the companies. Treatment of E911 funds to date fails to engender confidence that any of that money will be used to implement E911, an important component of homeland security. I also fear that the lack of an effective cost recovery program will result in consumers purchasing Phase II capable phones today that may never operate in an area with a Phase II capable PSAP.

IV. A PUBLIC SAFETY PLAN IS CRUCIAL TO E911 SUCCESS

Creating a model statewide deployment plan should be the first priority for every state. Within any given state, there are significant inconsistencies from PSAP to PSAP and they are at varying levels of readiness and effectiveness. Public and private sector entities would benefit from common contractual and operational understandings. These varying levels significantly impact a PSAP and/or wireless carriers' ability to implement Phase I and Phase II. States should work towards harmonizing PSAP readiness within their borders.

National guidelines may be beneficial to create uniform principles that would facilitate deployment and promote PSAP interoperability across state borders. There are already a number of states that have demonstrated significant success in implementing Phase I in the vast majority of their PSAPs. These states share many common hurdles and common solutions, which could help states that are not as far along in this process. The elements common to statewide solutions are:

- A **central planning body** within the state that manages financial, as well as implementation processes.
- **Technology neutrality** – a must for operational, technical and financial solutions.
- **Cost recovery** funding mechanism for both the carriers and the PSAPs should be in place.

Each state should create a state E911 Task Force comprised of representation from the public/private sectors, PSAPs, wireline and wireless carriers, to establish the requirements and develop the program for how 911 and E911 will be delivered within the state. Centralized planning within each state, an established appropriate funding mechanism and appointing a state Director/Administrator of statewide 911 systems are the key factors that have contributed to early state successes. A state Director/Administrator can do further assessment planning and build it into current deployment schedules. Statewide planning will most likely enable redundancy and interoperability among existing PSAPs to give a higher level of service in these times. Setting aside local concerns and giving guidance at the state level is necessary to achieve success.

This mirrors the congressional direction included in S. 800, the Wireless Communications and Public Safety Act of 1999, to implement statewide plans for

comprehensive deployment for E911.

V. CONCLUSION

Verizon Wireless and the wireless industry are proud of our role in promoting public safety. Much still needs to be done by all parties to the E911 effort – the FCC, the wireless industry, the technology suppliers, and the PSAPs, but we are turning the corner. I thank the Committee for holding this hearing and hope that we can continue to improve the cooperation and coordination among all parties to make enhanced 911 a reality for all Americans.