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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas
Secretary
Federal Communications Commission
Washington, D.C. 20554

Re: King County (WA) Petition, DA 00-1875, CC Docket 94-102

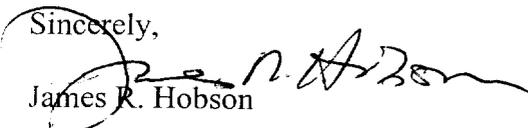
Dear Ms. Salas:

Submitted pursuant to Section 1.1206 of the rules are an original and one copy of a handout used by representatives of the National Emergency Number Association – President Norm Forshee, Second Vice President John Melcher, Executive Director Mark Adams and the undersigned -- in meetings April 3rd and 4th with Bryan Tramont, Mark Schneider, Adam Krinsky and Peter Tehula.

The handout was also the subject of discussion at a meeting April 3rd with Wireless Telecommunications Bureau Chief Tom Sugrue, his deputy, Jim Schlichting, Kelly Quinn, Kris Monteith and Blaise Scinto. The WTB meeting focused on wireless E9-1-1 implementation in general and on the need for careful scrutiny of waivers in particular. NENA repeated its record views that the Nextel waiver application appeared to be consistent with the guidelines laid down in the VoiceStream waiver grant, except that it contained “nothing comparable to the virtually immediate Network Software Solution (“NSS”), to be deployed universally independent of PSAP request, which the FCC perceived as a public gain in the VoiceStream request.” (Comments, January 5, 2001, 3)

Please direct any questions to the undersigned.

Sincerely,


James R. Hobson

cc: Messrs. Krinsky, Schneider, Sugrue, Tehula, Tramont.

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List A B C D E

**COST-RECOVERY FOR WIRELESS E9-1-1
Which Costs to the Carrier, Which to the PSAP?**

For the first three years of the wireless enhanced 9-1-1 (“E9-1-1”) rules, carriers were to be reimbursed for their costs of upgrading to deliver Automatic Number Identification (“ANI”) and Automatic Location Information (“ALI”). Section 20.18(f) listed as one of three “conditions” for carrier delivery of E9-1-1 that “a mechanism for recovering the costs of the service is in place.”

In November of 1999, the Commission revised this cost recovery rule, stating in part:

38. We first delete from the E911 rules the condition that requires a cost recovery mechanism for carriers to be in place before a wireless carrier is obligated to implement E911.

* * *

42. [B]ased on the record before us, a prerequisite that there be a carrier cost recovery mechanism has not expedited the delivery of E911 service and, if anything, has become and will continue to be an impediment to the implementation of E911 service.

Second Memorandum Opinion and Order, CC Docket 94-102, 14 FCC Rcd 20850, 20866-67 (1999). The Order retained a cost recovery requirement for PSAPs, but this is essentially self-executing because, without funding, PSAPs will not be able to meet the most important of the conditions precedent to the wireless carrier E9-1-1 obligation, namely that the requesting PSAP “is capable of receiving and utilizing the data elements associated with the service.” 47 C.F.R. §20.18(j).

Importantly, the Order did not disturb cost recovery legislation or contracts pre-dating the rule change, and it did not interfere with future legislation or agreements to permit carrier cost recovery. Instead, it simply declared that if a state or local government wanted to “go Dutch” – with the carrier and the PSAP each meeting its own costs – that would now be permitted.

Regrettably, the Order did not end the squabbling over wireless E9-1-1 costs. It simply changed the terms of the argument. Under the old rule, wireless carriers and PSAPs fought over how much money would be needed to cover both sets of upgrade expenses. Now, they are disputing which costs belong to the wireless carrier and which to the PSAP.

Seeking to resolve its own problems, King County, Washington, in May of 2000, petitioned the FCC to declare that the proper “demarcation point” between the financial responsibility of the wireless carrier and that of the PSAP should be the Selective Router (“SR”), the typical point of connection for trunks linking the carrier’s Mobile Switching Center (“MSC”) and that portion of the wire telephone network dedicated to 9-1-1 traffic. Comments and replies in response to a Commission Public Notice (DA 00-1875) were received in September and October 2000. Ex parte communications have continued on the subject.

Having heard from NENA and APCO, in one such ex parte meeting, that wire CLECs typically pay their own costs of connecting to SRs, the WTB staff asked NENA for information on the numbers, distances and costs of trunks required to connect a single PSAP to multiple competing wire and wireless carriers. NENA's response of February 2, 2001 documented that the financial burden on PSAPs for such connections would be overwhelming. The following table compares the views of wireless carriers and PSAPs on cost demarcation. It is over-simplified because opinion is not monolithic on either side. In fact, three major carriers support the King County request for demarcation at the SR.

ISSUE	WIRELESS CARRIERS	PUBLIC SAFETY
Demarcation point	At the MSC	At the SR
Meaning of "capable of receiving and utilizing."	PSAPs are not "capable" unless they extend their reach to the MSCs.	The rule does not say where the handoff ("receipt") is to occur. The "utilization" is at the PSAP itself.
Wireline analogy	PSAPs pay, by lease or ownership, for wire connection from telephone switching offices to SRs.	Wireless carriers pay for commercial connections to the PSTN; CLECs pay for both commercial and 9-1-1 links.
Discrimination	ILECs get paid for the SR link, so should we.	That practice dates from ILEC monopoly. CLECs are not reimbursed.
Procedural questions	Need new RM to change rule; WTB lacks authority to grant King County request.	King County asks for interpretation of existing rule; if WTB lacks authority, let full Commission decide.
Control of links	MSC-to-SR link is part of dedicated 9-1-1 network under PSAP control.	PSAP dedicated network has never reached beyond PSTN; public safety does not control MSC placement.
Scope of declaration	Narrow to facts of case.	King County petition presents universal problem; resolution must be broad to end disputes.
"Affordability" as a policy consideration	Political difficulty of raising 9-1-1 funds is irrelevant; state and local governments must step up to their fiscal duty.	Prevailing method of funding is subscriber surcharges; wireless carriers can raise rates without need for a government middleman; either way, subscriber pays.
Cost to the cost causer	PSAPs cause costs by requiring special connection to SRs.	PSAPs did not create competitive environment requiring multiple connections to each SR, nor do they decide placement of MSCs. Wireless volumes impose heavy costs.

RECENT DEVELOPMENTS OF NOTE

1. By letter of March 16, 2001 to WTB Chief Tom Sugrue, AT&T Wireless departed from its prior position in support of the MSC as the cost demarcation point. In doing so, it joined SBC Wireless and Nextel in support of wireless carrier cost responsibility up to the SR. The AT&T letter stated, in part:

Effective March 1, 2001, AT&T Wireless discontinued its policy of charging PSAPs for the costs of upgrading local exchange carrier ("LEC") facilities for the delivery of E911 calls from the mobile switching center ("MSC") to the LEC's selective router ("S/R"). . . .AT&T Wireless now will assume responsibility for these costs. AWS notified its Phase I PSAP partners about this new policy at the end of February.

This new, nationwide policy is a departure from the position AT&T Wireless took in its comments in the above-captioned proceeding. AT&T Wireless adopted the new policy in an effort to expedite Phase I deployment which has, in some cases, been delayed as a result of the parties' inability to reach agreement on this issue. Regardless of how the Commission rules on King County's petition, AT&T Wireless is committed to assuming responsibility for the costs of the facilities between the MSC and the S/R.

2. Among the carriers in the most active coalition¹ supporting the MSC as the cost demarcation point, one, VoiceStream, has stated separately:

If the Commission moves the demarcation point as the public safety organizations claim they want, it must be clear to PSAPs that they will then lose the ability to control those portions of E911 network assigned to carrier responsibility.²

It is perfectly clear to PSAPs already that they do not control MSC placement, which sometimes is far removed, even across state lines, from the SR to which the carrier must connect. The expectation of PSAPs is for performance -- the prompt, reliable and accurate delivery of ANI and ALI. If carriers are paying for the means of performance, they should control the means. Conversely, if PSAPs are asked to pay for carrier SR connections, PSAPs should have a say in how that is done.

3. If the other carriers in the VoiceStream coalition share the sentiment that control follows the money, then there ought to be a ready settlement at hand. Public safety authorities are prepared to acknowledge that wireless carriers who pay for upgrades between the MSC and the SR (including "3rd Party Interface and Database" depicted in the 2/9 and 2/23 ex partes) are entitled to control them, so long as they deliver ANI and ALI to the PSAP as the rules require.

¹ Verizon, Sprint PCS, VoiceStream, Cingular and CTIA, as reflected in verbatim ex partes of February 9 and 23, 2001.

² Ex parte communication of 2/6/01.