

## CERTIFICATE OF SERVICE

I hereby certify that a true copy of Verizon Virginia Inc.'s and Verizon South Inc.'s Petition for Reconsideration in Case No. PUC-2007-00008 was sent as indicated below on this 28<sup>th</sup> day of December, 2007, to the following:

Robert M. Gillespie, Esquire  
Office of General Counsel  
State Corporation Commission  
Post Office Box 1197  
Richmond, Virginia 23218  
[robert.gillespie@scc.virginia.gov](mailto:robert.gillespie@scc.virginia.gov)  
**(U.S. Mail and Hand-Delivered)**

C. Meade Browder, Jr., Esquire  
Office of the Attorney General  
900 East Main Street  
Richmond, Virginia 23219  
[mbrowder@oag.state.va.us](mailto:mbrowder@oag.state.va.us)  
**(U.S. Mail)**

Ashley B. Macko, Esquire  
Office of the Attorney General  
900 East Main Street  
Richmond, Virginia 23219  
[abeuttel@oag.state.va.us](mailto:abeuttel@oag.state.va.us)  
**(U.S. Mail)**

Stephen T. Perkins, Esquire  
Cavalier Telephone, LLC  
1319 Ingleside Road  
Norfolk, Virginia 23502-1914  
[sperkins@cavtel.com](mailto:sperkins@cavtel.com)  
**(U.S. Mail)**

Troy Savenko, Esquire  
Cavalier Telephone, LLC  
2134 West Laburnum Avenue  
Richmond, Virginia 23219-4342  
[tsavenko@cavtel.com](mailto:tsavenko@cavtel.com)  
**U.S. Mail)**

E. Ford Stephens, Esquire  
Christian & Barton, LLP  
909 East Main Street, Suite 1200  
Richmond, Virginia 23219-3095  
[estephens@cblaw.com](mailto:estephens@cblaw.com)  
**(U.S. Mail)**

Cliona Mary Robb, Esquire  
Christian & Barton, LLP  
909 East Main Street, Suite 1200  
Richmond, Virginia 23219-3095  
[crobb@cblaw.com](mailto:crobb@cblaw.com)  
(U.S. Mail)

Peter Q. Nyce, Jr., Esquire  
U. S. Army Litigation Center  
901 N. Stuart Street, Suite 713  
Arlington, Virginia 22203-1837  
[peter.nyce@us.army.mil](mailto:peter.nyce@us.army.mil)  
(U.S. Mail)

Harry Gildea  
Snavelly King Majoros O'Connor & Lee Inc.  
1111 14<sup>th</sup> Street, N. W.  
Washington, D. C. 20005  
[hgildea@snavelly-king.com](mailto:hgildea@snavelly-king.com)  
(U.S. Mail)

Dennis R. Bates, Esquire  
County of Fairfax, Virginia  
12000 Government Center Parkway - Suite 549  
Fairfax, Virginia 22035-0064  
[dennis.bates@fairfaxcounty.gov](mailto:dennis.bates@fairfaxcounty.gov)  
(U.S. Mail)

T. Scott Thompson, Esquire  
Davis Wright Tremain LLP  
1919 Pennsylvania Avenue, N. W. - Suite 200  
Washington, D. C. 20006  
[scottthompson@dwt.com](mailto:scottthompson@dwt.com)  
(U.S. Mail)

Douglas C. Nelson, Esquire  
Sprint Nextel  
233 Peachtree Street, N.E.  
Suite 2200  
Atlanta, GA 30303  
[douglas.c.nelson@sprint.com](mailto:douglas.c.nelson@sprint.com)  
(U.S. Mail)

Joseph Creed Kelly, Esquire  
607 Florida Avenue, N. W.  
Washington, D. C. 20001  
Lawclk2@cwa-union.org  
(U.S. Mail)

*Jennifer L. McClellan*

**BEFORE THE  
STATE CORPORATION COMMISSION  
OF VIRGINIA**

<b>Application of Verizon Virginia Inc. and</b>	)	
<b>Verizon South Inc. for a Determination</b>	)	<b>Case No. PUC-2007-00008</b>
<b>that Retail Services Are Competitive and</b>	)	
<b>Deregulation and Detariffing of the Same</b>	)	

**VERIZON PETITION FOR RECONSIDERATION**

In its December 14<sup>th</sup> Order on Application (“Order”), the Commission takes significant steps towards adapting its regulatory framework to reflect the rapidly changing and robustly competitive Virginia telecommunications market. By adopting an availability test and administrative process for declaring BLETS and OLETs competitive in additional telephone exchange areas and deregulating the prices of those services, the Commission seeks to ensure that its regulatory framework will continue to adjust to the dynamic market. However, because of the way certain competitors are counted, the test will forever be steps behind the rapidly changing market. Pursuant to 5 VAC 5-20-220, Verizon respectfully requests that the Commission consider four modifications to the way certain competitors are counted in the competitive test for BLETs and OLETs.

**A. Cable Providers Should Count As Competitors When They Have Upgraded Their Networks to Provide Digital Broadband Service.**

The Commission’s competitiveness test counts cable providers as competitors when they are providing telephone service, but not when they are providing digital broadband service.<sup>1</sup> Order at 33. This decision is based on a finding that “the capital and human resources investments necessary for a cable company to offer local telephone

---

<sup>1</sup> Such competitors are thus excluded from all portions of the competitiveness test.

service are significant barriers to entry . . . and are unlikely to be made simply because Verizon raises prices for basic local services.” Order at 19. This might be the case where a cable provider is providing only television service in an exchange and has not upgraded its network to provide digital service (including broadband internet access). However, as Dr. Eisenach explained, where a cable provider is already providing digital broadband service, it can deploy telephony services on top of its digital infrastructure for very little additional costs within less than a year. Tr. 479, 515-517 (Eisenach). For purposes of applying an antitrust test, such carriers would be considered as already in the market. *Id.* They are the essence of “potential competition” as contemplated by the statute,<sup>2</sup> and Verizon requests that the Commission modify its test to include them as competitors in all prongs of the competitiveness test.

**B. UNE-Loop CLECs Are Facilities-Based Providers.**

The final prong of the Commission’s competitiveness test requires that at least 50 percent of the households (for residential BLETs) or businesses (for business BLETs) in a telephone exchange area have the option to “choose a facilities-based competitor that owns its own *wireline* network facilities.” Order at 33, 42 (emphasis added). The Commission finds that CLECs providing service via resale, Wholesale Advantage, or UNE-loops should not be counted as “facilities-based” providers. Order at 16. Verizon

---

<sup>2</sup> Va. Code § 56-235.5(F). When addressing cable companies as competitors, the Order notes on page 20 that whether a cable company that offers broadband (but not telephony) should be considered a competitor to Verizon will be discussed “below,” presumably in the section beginning on page 22 regarding “Competition from Broadband-enabled Telephone Providers.” The point Verizon raises on reconsideration is not whether cable companies with broadband (but not cable telephony) are competitors because they provide access to VoIP, but rather that once cable companies have upgraded to digital services, the final step to cable telephony is small, and therefore the potential that they will provide competition in the form of cable telephony is very strong.

requests that the Commission modify its test to include CLECs using UNE-loops as facilities-based providers.

While CLECs purchasing UNE-loops complete their networks by having Verizon provide the "last mile" connection to some customer premises, these CLECs nevertheless have invested heavily in switching and transport networks that they use to provide service to customers.<sup>3</sup> Federal law requires Verizon to lease the last mile UNE-loop facility to these carriers at federally mandated rates under the Telecommunications Act of 1996 and the FCC's unbundling rules, which puts the loops under the effective control of the CLEC. This means that these carriers effectively control the entire suite of facilities needed to provide wireline telephone-based telecommunications services. For this reason, CLECs that provide their own switching and other facilities, but lease UNE loops have always been considered "facilities-based" for regulatory purposes, as discussed below.

While the Commission expresses some concerns about the future potential of such competitors, the fact is that at year end 2006, Verizon provided over [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] Exhibit 219-C. Although CLEC growth has slowed because they face the same intermodal competition as Verizon (*see* Exhibit 215-C at 3-4), CLECs using UNE-loops are, nevertheless, facilities-based market competition that regulate Verizon's prices.

Furthermore, with the recent FCC decision in the Verizon forbearance case that Verizon must continue to provide UNE-loops in the Virginia Beach area, the likelihood

---

<sup>3</sup> Indeed, CLECs had deployed [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] as of March 2006. Exhibit 23-C (West Direct) at 92, 190.

that Verizon will be relieved from providing UNE-loops at TELRIC rates in any part of the state appears slim. Regardless, even if the FCC had granted forbearance, federal law would still have required Verizon to provide unbundled loops in the Virginia Beach area at negotiated rates. *See* 47 U.S.C. § 271.

Indeed, UNE-loop CLECs consider themselves facilities-based. For example, Cavalier's web page press kit makes clear that it is a facilities-based carrier. Its mission statement touts that "[t]hrough a wholly-owned and managed network, Cavalier provides advanced Voice and Data services to business and residential customers at a superior value." Exhibit 144. In describing its background, Cavalier states:

Cavalier Telephone is a *facilities-based* full-service telephone company with the mission of bringing our customers better value in telephone providers. *Started in 1998, Cavalier has invested millions of dollars building a state-of-the-art network utilizing best-in-class technology.* By making the investment in *our own network*, Cavalier is able to avoid the huge overhead of the incumbent telephone company. This enables Cavalier to provide the highest quality of customer service while passing significant savings on to our customers.

\*\*\*

The expanded *Cavalier network* covers the mid-Atlantic, Midwest and southeast regions and serves six of the top 20 DMA markets in the country. We have 531 end office collocations attached to our \$1 billion fiber-optic network consisting of 11,000 route miles that extend from Boston to Chicago down to Wilmington, North Carolina.<sup>4</sup>

*Id.* (emphasis added). *See also* Tr. 1169 (Clift). Cavalier even defines a facilities-based carrier for the press:

**What is a facilities-based Competitive Local Exchange Carrier (CLEC)?**

---

<sup>4</sup> Cavalier has deployed 760 miles of fiber in Virginia (Exhibit 12-C (West Direct) at 93, 198).

A facilities-based CLEC installs and operates proprietary switching and network facilities (fiber optics) and owns the entire network up to the collocated central offices. A facilities-based provider can extend the network directly into a customer's premises assuming all operational responsibilities for customers including port and provisioning services from ILEC to CLEC platforms.

*Id.* This is a description of a UNE-loop carrier, which connects to the leased ILEC loops at "collocated central offices."

Cavalier's statements are consistent with UNE-loop CLECs being considered facilities-based providers by the FCC and other states. The FCC recognizes UNE-loop CLECs, particularly those purchasing dark fiber loops, as facilities-based providers. *See e.g. Triennial Review Order* ¶ 313 (discussing how unbundled dark fiber loops provide "facilities-based carriers the means of obtaining the last-mile facility necessary to serve customers over competitive networks comprised largely of facilities other than the incumbent LEC's"). Other states also count CLECs using UNE-loops as facilities-based competitors as part of their tests for declaring markets competitive. For example, Missouri counts a competitor that provides "local voice service in whole or in part over telecommunications facilities or other facilities in which it or one of its affiliates have an ownership interest." *See* Section 392.245.5(2), RSMo Cum. Supp. 2005.

Finally, as a practical matter, excluding UNE-loop CLECs from the definition of facilities-based providers makes it virtually impossible to identify any exchange where a non-cable CLEC would count as facilities-based. Many CLECs that own switching and backbone transport facilities serve customers using wholly owned facilities-based access lines, UNE-loop access lines, and access lines leased from other wholesale fiber providers. Only these CLECs know which access lines are which. Their access line

reports to the Commission do not specify the geographic location of leased UNE-loops versus owned or leased lines. *See* Exhibits 206-C, 207-C, and 208-C.<sup>5</sup>

Unfortunately, the practical reality is that given the test's exclusion of UNE-loop lines, and the dearth of information regarding CLECs using other facilities, *no* CLEC lines will ever count as facilities-based for purposes of the competitiveness test as currently written. Verizon therefore respectfully requests that the Commission include CLECs that use UNE-loops with the other facilities-based CLECs that already count in the final prong of the competitiveness test.

### **C. Wireless Providers are Facilities-Based.**

The Commission recognizes that wireless competition should be included in a competitiveness test, Order at 22, but does not count them as facilities-based providers for purposes of the test. Order at 33. However, the record contains substantial evidence that wireless companies provide services over their own facilities. *See* Tr. 2057-2060, 2129 (Taylor); 1755-56 (Eisenach).

The decision to exclude wireless providers as facilities-based appears to rely on the finding that wireless does not "provide the same level of consistent reliability and, in particular, 911 service reliability, that is delivered by Verizon's wireline service or, to a lesser extent, cable providers." Order at 34-35. The wireless industry, however, is rapidly addressing both of these issues.

---

<sup>5</sup> Indeed, even though the Commission's current rules require CLECs to report annually geographic areas they serve – a modest requirement – what little information CLECs have provided has been largely useless. Tr. 1491 (Cummings) (the geographic data from the CLECs "isn't very good [and] doesn't say much"). To the extent CLECs do provide geographic data, they do so in different formats at different levels of granularity, including street addresses, zip codes, wire centers, and locality names. *See* Exhibit 208C.

Wireless providers have invested billions of dollars in their networks to enhance service coverage. See Exhibit 246-C (Taylor Rebuttal) at 17-19. As Dr. Taylor explained:

. . . Nationwide, wireless carriers have invested a cumulative \$191 billion in their networks from 1996 through year-end 2006. . . [T]he result of these investments is substantially more cell sites, which now number nearly 196,000 locations in the U.S., after having added an average of almost 16,000 cell [s]ites per year since 1996. This network expansion allows wireless providers to offer better coverage in a given area and/or expand the areas that they cover, as well as increase capacity.

Exhibit 246-C (Taylor Rebuttal) at 19. Moreover, wireless providers have developed technology and introduced new services specifically designed to improve indoor coverage and compete directly with wireline services. For example, T-Mobile's *HotSpot@Home* and AT&T's iPhone services provided over a dual mode cell phone<sup>6</sup> are examples of a service designed to improve indoor service quality targeting customers "looking to drop their landline phone and pocket the savings." See Exhibit 246-C (Taylor Rebuttal) at 20-21; Exhibits 253 - 260. Sprint/Nextel is likewise developing these services, and more are likely to come in the near future. See Exhibit 246-C (Taylor Direct) at 21; Exhibit 258.

With respect to E-911 availability, the FCC has required wireless service providers to implement enhanced E-911 in two phases. See 47 C.F.R. § 20.18. The Commonwealth's Wireless Enhanced Public Safety Telephone Services Act requires the

---

<sup>6</sup> Dual mode devices, allow wireless mobile users to access both their wireless networks and Wi-Fi networks, and are being introduced by wireless and VoIP providers alike. VoIP providers have also developed dual mode phones, such as Vonage's VoWiFi phone, to allow users to make calls on their Vonage account from any Wi-Fi hotspot. Exhibit 12-C (West Direct) at 101.

Wireless E-911 Services Board to “develop a comprehensive, statewide enhanced 9-1-1 plan for wireless E-911, VoIP E-911, and any other future communications technologies accessing E-911 for emergency purposes.” Va. Code § 56-484.14(3). The Board is required to:

monitor trends and advances in enhanced wireless, VoIP, and other emergency telecommunications technologies, plan and forecast future needs for these enhanced technologies, and formulate strategies for the efficient and effective delivery of enhanced 9-1-1 services in the future with the exclusion of traditional circuit-switched wireline 9-1-1 service.

Id. The Board is also required to:

[r]eport annually to the Governor, the Senate Committee on Finance and the House Committee on Appropriations, and the Virginia State Crime Commission on (i) the state of enhanced 9-1-1 services in the Commonwealth, (ii) the impact of, or need for, legislation affecting enhanced 9-1-1 services in the Commonwealth, and (iii) the need for changes in the E-911 funding mechanism provided to the Board, as appropriate.

Va. Code § 56-484.14(6). Verizon requests that the Commission take judicial notice of the most recent report, issued October 1, 2007, attached as Exhibit A.<sup>7</sup> This report indicates that E-911 deployment for wireless subscribers is nearly complete:

Wireless enhanced 9-1-1 (E-911) Phase I service, where the caller’s telephone number and the address of the cell site are provided to the public safety answering point (PSAP), is essentially complete, with well over 99% of all wireless subscribers now being provided the service. The few

---

<sup>7</sup> Va. Code § 8.01-388 requires Virginia courts to

take judicial notice of the contents of all official publications of this Commonwealth and its political subdivisions and agencies required to be published pursuant to the laws thereof, and of all such official publications of other states, of the United States, of other countries, and of the political subdivisions and agencies of each published within those jurisdictions pursuant to the laws thereof.

localities that are not completed are among the most rural Virginia localities and are aggressively working toward deployment. These are the same localities still working to deploy wireline E-911.

The deployment of wireless E-911 Phase II, which provides the PSAP with the caller's actual location by longitude and latitude, is nearing completion, due to the hard work and dedication of the PSAPs and telecommunications service providers. Phase II service is now available to 99% (up from 97% in FY2006) of wireless telephone service subscribers in the Commonwealth. The wireless service providers and all of the localities involved should be commended for their efforts to protect the public. While Phase II is not 100% accurate, the locations provided are typically within 50 to 300 meters, with some calls actually showing the caller's location within a matter of a few feet. It is not the same level of accuracy as wireline E-911, but it does provide the 9-1-1 call taker with a valuable tool to quickly locate a caller in need of emergency assistance, especially if the caller is unfamiliar with their location.

With the deployment of Phase II many of the wireless service providers opted for a handset-based Phase II solution, which uses a global positioning system (GPS) chip in the telephone to locate the caller. Though this requires the subscriber to upgrade their telephone, most of the major carriers using this technology are now reporting that over 95% of their customers have GPS equipped telephones, which was the goal established by the Federal Communications Commission (FCC).

As the Commonwealth approaches completion of the deployment of enhanced 9-1-1 services on all traditional telecommunications services, the focus of the E-911 industry shifts to the future of E-911 and service improvement. Several new technologies already exist that challenge the current E-911 infrastructure such as VoIP and text messaging. The localities, telecommunications service providers and E-911 vendors should be commended for all of the effort expended thus far to provide the citizens with the best E-911 system available, but it is critical that work

continue to ensure this life saving service is available when it is needed most.<sup>8</sup>

Report at 1-2. *See also* Report at 3-6 for a detailed report on the state of wireless E-911 deployment in Virginia.

In short, just like cable companies, wireless companies can and do provide completely substitutable services over their own facilities. Any minor functional deficiencies relating to E-911 and indoor service coverage that still remain should be eliminated soon. Therefore, wireless providers should count as facilities-based providers for purposes of the competitiveness test.<sup>9</sup>

**D. The Threshold for Including Over-the-Top VoIP Providers as Competitors Should Be Based On Availability, Not Subscribership.**

In the first prong of its competitive test, the Commission requires 75 percent of households (for residential BLETs) or businesses (for business BLETs) in a telephone exchange area to have the option of selecting local service from at least two competitors. Order at 33, 42. Departing from its availability test, however, the Commission finds that an over-the-top VoIP provider only counts as one of the two competitors if at least 75 percent of the households (for residential BLETs) or businesses (for business BLETs) in Verizon's service territory in the exchange subscribe to broadband internet service of any kind. Order at 34, 43. Unfortunately this test cannot actually be applied and consequently offers no opportunity for relief. It will be impossible to prove that this

---

<sup>8</sup> In addition, as part of Governor Kaine's Virginia Performs initiative, the percentage of E911 deployment in Virginia is reported quarterly at <http://vaperforms.virginia.gov/agencylevel/src/displaymeasure.cfm?MeasureID=13671201.001.001>. This measure indicates that for the first quarter of Fiscal Year 2008 (July-September, 2007), wireless E911 deployment in Virginia is at 98.92 percent.

<sup>9</sup> If the Commission finds itself dissatisfied with the current level of E-911 deployment, it could develop an E-911 deployment threshold (such as 99 percent) at which point wireless providers could count as facilities-based providers.

threshold has been met, as neither Verizon nor the Commission can quantify broadband subscribership on an exchange-by-exchange basis.

Broadband internet services are regulated by the FCC, which collects and reports broadband subscriber information on a state-by-state basis. The Commission does not—and indeed cannot—require broadband providers to report subscriber line counts in Virginia at all, let alone at the exchange level.

As the discovery battles between Verizon and the other parties in this proceeding made clear, subscribership information is one of the most closely held trade secrets a communications provider seeks to protect. Verizon can only obtain broadband subscriber information from its own affiliates, Verizon Online and Verizon Wireless.<sup>10</sup> Other broadband providers are not likely to provide subscribership information of any kind to Verizon on a statewide basis, let alone on an exchange basis. Moreover, since most broadband providers, most notably cable and wireless providers, do not fall within the regulatory jurisdiction of the Commission, it cannot require these carriers even to report aggregate subscribership data, comparable to what it requires wireline local exchange carriers to report.

The only evidence Verizon or the Commission could collect regarding broadband usage below the statewide level would be based on customer surveys similar to the regional surveys conducted by Verizon witness William Newman<sup>11</sup> and used in Dr. Jeffery Eisenach's usage analysis. *See* Tr. 2344-35 (Woltz) (explaining that the only way to collect subscriber or line count information from broadband companies is through customer surveys similar to those presented by Verizon). However, obtaining a

---

<sup>10</sup> Verizon's affiliates alone will never serve 75 percent of an exchange. FCC broadband subscribership data indicates that over 50 percent of broadband lines are provided by non-ILECs. Exhibit 217.

<sup>11</sup> Exhibits 20, 21, and 22.

statistically valid sample size to survey at the exchange level would be a time consuming and expensive—if not impossible—exercise. As Mr. Newman explained:

For a survey utilizing random digit dialing, a 30-1 ratio of dialed numbers to survey responses is the typical standard, because many households telephoned do not answer the telephone or decline to participate in the study.

Exhibit 213 (Newman Rebuttal) at 9. To obtain the 300 completed surveys for each MSA and non-MSA region using the standard ratio to draw a random sample of telephone numbers, Mr. Newman had to use a sample size of 9000 telephone numbers.

*Id.* at 10. Obtaining such a sample of numbers at the exchange level may well be impossible. Moreover, any survey would underestimate subscribership since surveyors are prohibited by law from calling cell phone numbers, and even if they could, they would have a difficult time obtaining cell phone numbers to call. *See Tr.*

1693(Eisenach).

For these reasons, Verizon requests that the Commission modify its competitiveness test to permit inclusion of over-the-top VoIP providers based on the demonstrated availability of broadband service to at least 75 percent of the homes or businesses in an exchange rather than on subscribership in each such area.

#### **E. Conclusion**

For the foregoing reasons, Verizon respectfully requests that the Commission reconsider its Order and modify its competitive test to:

- (1) Include cable providers who are providing broadband services over an upgraded digital network as competitors in its competitive test;
- (2) Include CLECs leasing UNE-loops and wireless providers in the definition of facilities-based competitors; and

- (3) Establish a threshold for over-the-top VoIP providers to be counted as a competitor based on availability rather than subscribership.

Respectfully submitted,

VERIZON VIRGINIA INC.  
VERIZON SOUTH INC.

By Counsel



Lydia R. Pulley  
Jennifer L. McClellan  
600 East Main Street, Suite 1100  
Richmond, Virginia 23219  
Tel: (804) 772-1547

December 28, 2007

**BEFORE THE  
STATE CORPORATION COMMISSION  
OF VIRGINIA**

**Application of Verizon Virginia Inc. and )  
Verizon South Inc. for a Determination )  
that Retail Services Are Competitive and )  
Deregulation and Detariffing of the Same )**

**Case No. PUC-2007-00008**

**VERIZON PETITION FOR RECONSIDERATION**

**EXHIBIT A**



**COMMONWEALTH of VIRGINIA**  
**Wireless E-911 Services Board**  
**FY2007 Annual Report**



Prepared by the  
Virginia Information Technologies Agency  
Division of Public Safety Communications  
October 1, 2007





**COMMONWEALTH of VIRGINIA**  
**Virginia Wireless E-911 Services Board**

Lemuel C. Stewart, Jr.  
Chairman  
VITA

October 1, 2007

Dorothy Spears-Dean  
PSC Coordinator  
(804) 416-6201

Robert W. Woltz, Jr.  
Vice-Chairman  
Verizon

The Honorable Timothy M. Kaine  
Governor of Virginia

David A. Von Moll  
Treasurer  
Comptroller

The Honorable John H. Chichester  
Chairman, Senate Finance Committee

Linda W. Cage  
Mecklenburg County

The Honorable Vincent F. Callahan, Jr.  
Chairman, House Appropriations Committee

Chief Ed Frankenstein  
Prince George County

The Honorable Kenneth W. Stolle  
Chairman, Virginia State Crime Commission

Captain John Furlough  
Virginia State Police

Tracy Hanger  
City of Hampton

Philip Heins  
Hanover County

Robert Layman  
AT&T

Chief Ronald Mastin  
Fairfax County

Robert L. McAvoy  
NTELOS

Sheriff Fred Newman  
Washington County

Pat B. Shumate  
Roanoke County

Denise B. Smith  
Charles City County

Albert F. Vincent  
Virginia Dept. of  
Emergency Management

Gentlemen:

As required by Section 56-484.14 of the *Code of Virginia*, the enclosed report provides a status on the implementation of the Wireless Enhanced Public Safety Telephone Service Act.

If you have any questions regarding this report, please contact me at (804) 416-6004, or Dorothy Spears-Dean, Public Safety Communications Coordinator, (804) 416-6201, e-mail: [dorothy.spearsdean@vita.virginia.gov](mailto:dorothy.spearsdean@vita.virginia.gov).

Sincerely,

  
Lemuel C. Stewart, Jr.  
Chairman

Enclosure

c: The Honorable Aneesh P. Chopra  
The Honorable John W. Marshall  
The Honorable Leonard G. Cooke  
Elizabeth B. Daley  
Robert P. Vaughan  
James O. Towey

**Table of Contents**

**Executive Summary ..... 1**  
**State of Enhanced 9-1-1 in the Commonwealth ..... 3**  
    Wireline E-911 ..... 3  
    Wireless E-911 ..... 3  
**State of the Wireless E-911 Fund ..... 7**  
    Wireless E-911 Fund ..... 7  
    Wireless Funding Process ..... 9  
**Conclusion ..... 10**  
**Appendix A – Detailed Wireline PSAP Update ..... 11**  
**Appendix B – PSAP Funding Detail ..... 12**  
**Appendix C – Wireless Service Provider Status ..... 15**

## Executive Summary

The *Code of Virginia* (§56-484.14) requires the Wireless E-911 Services Board (the Board) to report annually to the Governor, the Senate Committee on Finance, the House Committee on Appropriations, and the Virginia State Crime Commission on the following:

- (i) the state of enhanced 9-1-1 services in the Commonwealth,
- (ii) the impact of, or need for, legislation affecting enhanced 9-1-1 services in the Commonwealth,
- (iii) the need for changes in the E-911 funding mechanism provided to the Board, as appropriate, and
- (iv) monitor developments in enhanced 9-1-1 service and multi-line telephone systems and the impact of such technologies upon the implementation of Article 8 (§ 56-484.19 et seq.) of Chapter 15 of Title 56.

### *The state of enhanced 9-1-1 services in the Commonwealth*

Though the original goal was to have all localities providing wireline E-911 service by July 1, 2003, there are still five (5) localities working to deploy this level of service. Four of the five are currently being delayed by the U.S. Postal Service (USPS). These delays, which have been significant, have added additional time and complexity to these projects. The localities have done all they can and are at the mercy of the USPS to complete their work. As a result, the Board has granted extensions of time to all six, as allowed by *Code*.

Wireless enhanced 9-1-1 (E-911) Phase I service, where the caller's telephone number and the address of the cell site are provided to the public safety answering point (PSAP), is essentially complete, with well over 99% of all wireless subscribers now being provided the service. The few localities that are not completed are among the most rural Virginia localities and are aggressively working toward deployment. These are the same localities still working to deploy wireline E-911.

The deployment of wireless E-911 Phase II, which provides the PSAP with the caller's actual location by longitude and latitude, is nearing completion, due to the hard work and dedication of the PSAPs and telecommunications service providers. Phase II service is now available to 99% (up from 97% in FY2006) of wireless telephone service subscribers in the Commonwealth. The wireless service providers and all of the localities involved should be commended for their efforts to protect the public. While Phase II is not 100% accurate, the locations provided are typically within 50 to 300 meters, with some calls actually showing the caller's location within a matter of a few feet. It is not the same level of accuracy as wireline E-911, but it does provide the 9-1-1 call taker with a valuable tool to quickly locate a caller in need of emergency assistance, especially if the caller is unfamiliar with their location.

With the deployment of Phase II many of the wireless service providers opted for a handset-based Phase II solution, which uses a global positioning system (GPS) chip in the telephone to locate the caller. Though this requires the subscriber to upgrade their telephone, most of the major carriers using this technology are now reporting that over 95% of their customers have GPS equipped telephones, which was the goal established by the Federal Communications Commission (FCC).

As the Commonwealth approaches completion of the deployment of enhanced 9-1-1 services on all traditional telecommunications services, the focus of the E-911 industry shifts to the future of E-911 and service improvement. Several new technologies already exist that challenge the current E-911 infrastructure such as VoIP and text messaging. The localities, telecommunications service providers and E-911 vendors should be commended for all of the effort expended thus far to provide the citizens with the best E-911 system available, but it is critical that work continue to ensure this life saving service is available when it is needed most.

*The impact of, or need for, legislation affecting enhanced wireless emergency telecommunications services in the Commonwealth*

The Wireless E-911 Services Board is not recommending any legislative changes for the 2008 General Assembly Session. The changes made in 2006 to the funding process appear to be working well. Additionally, the Board continues to work on the planning for the future of E-911, which was another change made in the 2006 session.

*The need for changes in the E-911 funding mechanism provided to the Board, as appropriate*

The Wireless E-911 Fund remains fiscally sound. With the legislative changes made in 2006, the funding process has been substantially changed. The revised process, which utilizes a formula-based distribution methodology, appears to provide consistent funding to the localities while greatly reducing the administrative bureaucracy associated with applying for the funding. Additionally, two cycles have been completed for the PSAP grant program also added in 2006. This has resulted in over \$7 million being provided to the localities for the replacement of outdated equipment and to expand services to the citizens of the Commonwealth.

It should be noted that the Appropriations Act for 2006-2008 continues the transfer of \$3.7 million from the Wireless E-911 Fund to the Virginia State Police. However, by the end of FY2004, almost all local PSAPs were taking the wireless E-911 calls directly, thus removing the original justification for providing the funding to the State Police. Continuing the appropriation to the State Police after they are no longer taking the wireless 9-1-1 calls could jeopardize the eligibility of the Commonwealth and all of the localities for federal E-911 grant funding. While there is no federal appropriation to support this grant program yet, federal legislation passed in early 2006 earmarks \$42 million from a radio spectrum auction for the program in the 2008 federal budget. If this transfer were to cease, the amount of funding provided to the localities would increase proportionally.

*Monitor developments in enhanced 9-1-1 service and multi-line telephone systems*

This is a new duty of the Board that was enacted on July 1, 2007. Since most of the provisions of Article 8 (§ 56-484.19 et seq.) of Chapter 15 of Title 56 do not take effect until July 1, 2009, the Board will provide more information on this topic in its future annual reports.

The following sections of the report provide a more detailed analysis of the current state of E-911 in the Commonwealth and the Wireless E-911 Fund.

## State of Enhanced 9-1-1 in the Commonwealth

### Wireline E-911

Originally, 37 jurisdictions were eligible for funding, because they had not fully deployed E-911 as of July 1, 2000. All, but five (5), of those original localities have deployed E-911 Service (Figure 1). Two of the jurisdictions, Scott and Buchanan Counties, have finished all of the onsite work and are waiting on the U.S. Postal Service (USPS) to verify and convert the addressing changes, which has been a significant delaying factor for many of these remaining projects. The USPS has been unable or unwilling to apply the resources to these projects to get them completed in a timely manner. It is important to note that delays of this magnitude were not experienced with projects served out of the Richmond USPS office and has only been experienced with the Charleston, West Virginia office.

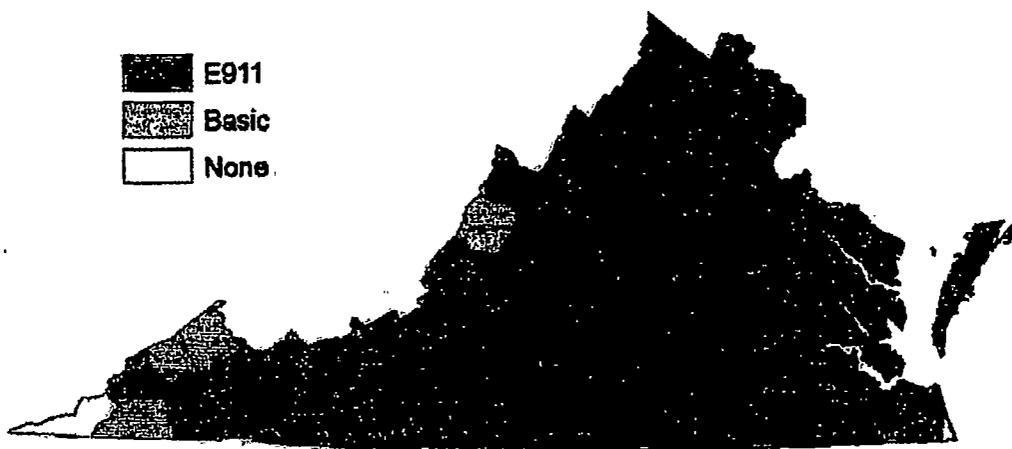


Figure 1 - Wireline E-911 Deployment Status

The other three localities, Bath, Lee and Dickenson Counties, are progressing with their deployments. Lee County will soon be ready to send their data to the USPS for processing, which will unfortunately subject them to the same delays. Dickenson County has been delayed by needing to rework their addressing, which has been necessitated by the USPS delays. Fortunately, Bath County is served out of the Richmond USPS office and thus should not be significantly impacted. They have been working through several facility construction issues and have progressed well over the past year.

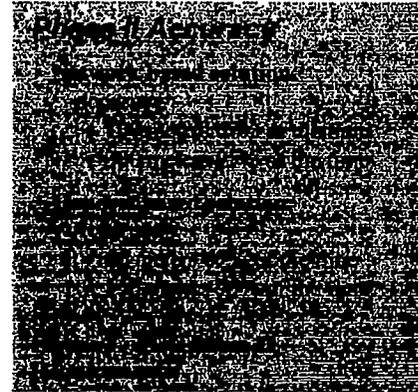
A detailed update for each locality still needing to implement wireline E-911 is available in Appendix A.

### Wireless E-911

The number of wireless 9-1-1 calls has continued to grow rapidly since wireless service was introduced commercially in 1985. Though the rate of growth has slowed in recent years, the number of wireless 9-1-1 calls has surpassed the number of wireline E-911 calls in many Virginia localities. Through the 1990's, a 9-1-1 call placed from a wireless telephone would simply be forwarded to a 10-digit telephone number that went to the local PSAP or to the State Police. Coming in on a 10-digit number meant that the location of the caller, call back number and other

important data elements were not provided like they were for wireline E-911. This lack of an automatic location resulted in more time for the call taker to process the call or an inability to locate the caller at all. Several incidents were documented around the country that demonstrated the problems PSAPs were having locating a wireless 9-1-1 caller.

To respond to this issue, in 1996, the FCC released an order requiring wireless service providers to implement enhanced features and location technology. The implementation was to occur in two phases. Phase I provided the PSAP with the caller's telephone number and the address of the cell site receiving the call along with the orientation of the antenna, if the antenna is directional. Phase II provided the PSAP with the actual location of the caller within a defined margin of error depending on the location technology used by the provider (Figure 2). According to the order, the wireless service provider had to implement Phase I within six months of a request from the PSAP. The timeline for Phase II was contingent on the location technology selected by the wireless service provider, network-based (triangulation) or handset-based (global positioning system - GPS).



One outstanding issue has been over what area the accuracy of Phase II is to be measured. There was stark disagreement between the wireless and E-911 industry leadership on the appropriate area for testing. Because the two location technologies perform differently in different environments, the best alternative for the wireless providers was to have a large test area (nationwide or statewide). This would allow the performance of their solution to be "averaged" across a variety of these environments providing a more general evaluation of the solution's performance. The E-911 community felt the test area should be limited to each PSAP service area thus providing each PSAP manager with an indication of how the location technology performed in their area. This would also provide assurances that the wireless provider was providing a similar level of performance in all different environments.

Unfortunately, the current location technologies are unable to achieve the desired accuracy at the PSAP service area. Each location technology has an environment type where it does not perform well. Since PSAP areas often have a dominate environment type (i.e. rural, urban, etc.), it is likely that a particular location technology solutions would have trouble with accuracy throughout a PSAP service area. As an example, a triangulation solution requires that the telephone radio signal be received by at least three cell sites. Since the cell site concentration is low in rural areas, this may not be possible. A carrier using a triangulation solution may meet the FCC requirements for accuracy if the testing results were aggregated at the state or national level since the areas with high cell site concentration would help offset the performance in more rural areas with fewer sites. Testing at the PSAP level would not allow this type of aggregation and would likely result in the failure of the triangulation solution in a rural PSAP service area. Handset based solutions, such as GPS, have similar problems inside buildings and in urban areas where large building block the telephone from "seeing" the GPS satellites high in the sky above.

On September 11, 2007, the FCC finally acted on this issue by ruling that wireless providers must meet the accuracy requirement at the PSAP level. Since they acknowledged that the current location technologies could not meet this requirement, the providers were given relief from enforcement of the regulation during a five-year period of transition. This has a significant impact on the Commonwealth as it means that the current Phase II deployment does not meet the FCC requirement and may require additional investment to become compliant. Additionally, the cost of the more stringent testing will likely increase costs also. Unfortunately, as noted above, the technology to meet the new requirements does not yet exist so no cost projections can be made at this time. Additional information will be provided in future annual reports from the Board.

### *Phase I Project Status*

To date, one hundred twenty-five (125) localities have implemented wireless E-911 Phase I (call back number and cell site location) with all of the wireless service providers serving the locality. Four more only have one more provider to implement (Figure 3). Analyzing this by the number of wireless subscribers in each locality, this means that over 99% of Virginia's wireless users now have Phase I service available to them from their wireless service provider and local PSAP. A total of 704 out of 711 (99.0%) Phase I deployments have been completed as of June 30, 2007. Only 7 more deployments in 4 localities must be completed.



**Figure 3 - Wireless E-911 Phase I Status**

The remaining deployments are in localities still working to complete deployment of wireline E-911. It is interesting to note that many of these localities will be able to deploy wireless E-911 Phase I and II prior to the deployment of wireline E-911. As soon as the E-911 network and call answering equipment is in the PSAP, wireless E-911 calls can be routed to the PSAP with Phase I and II information. Several localities, including most recently Russell and Scott County, chosen to implement wireless E-911 first to speed delivery of this life saving service. In fact, both have deployed wireless E-911 Phase II service.

### *Phase II Project Status*

The strong push to complete wireless E-911 Phase II deployment continued in FY2007. To date, a total of 653 Phase II deployments out of 711 have been completed (Figure 4). Approximately 99% of all wireless subscribers now have access to the Phase II location technology. Though the original