

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Investigation by the Department of Telecommunications)	
and Energy on its own Motion to Develop a Long-Term Plan)	D.T.E. 06-33
for Funding Enhanced 911 Services)	

COMMENTS OF VERIZON

Verizon Massachusetts, MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services, and MCI Communications Services, Inc. d/b/a Verizon Business Services (collectively, “Verizon”) submits these comments in response to the Department’s order of April 28, 2006, opening this investigation to develop recommendations for a long term plan for funding wireline enhanced 911 services beginning in 2008.

BACKGROUND

In the early 1990s, Massachusetts established enhanced 911 (“E911”) service to facilitate wireline emergency communications. In 2002, the Massachusetts Legislature directed the Department to develop a long term plan for funding E911 and, in doing so, to consider any and all issues affecting the E911 system, including the equitable payment of the costs of the system by all its beneficiaries and the changes and projected changes in technology comprising the E911 system. The Legislature directed the Department to submit its recommendations and assessment no later than December 31, 2006.¹

¹ The statute also directed the Department to establish a new funding mechanism for recovery of costs associated with the provision of wireline E911 service and disability access programs. Acts of 2002, c.239, § 3. In the *E911 Interim Surcharge Order* at 18, the Department approved an interim wireline surcharge of \$0.85 per month on each voice-grade residential and business line for the recovery of expenses, including recovery of the accumulated deficit, in providing wireline E911 and disability access programs. The Department has opened a proceeding (D.T.E. 06-4) to review and establish a “permanent” wireline E911 surcharge to remain in effect through December 31, 2007.

DISCUSSION

As a preliminary matter, programs such as E911 and disability access that benefit all citizens and visitors of the Commonwealth should be funded through the state's general revenues. Verizon, therefore, respectfully urges the Department to recommend that the Massachusetts General Court fully fund the E911 system and disability access programs from the state's general funds beginning in 2008 and discontinue the current practice of imposing these obligations on users of telecommunications services in the state. State mandates such as E911 and disability access should be supported through the appropriation of public funds rather than through the imposition of recurring charges on end users of certain telecommunications services. Verizon recognizes that funding these programs from the state's general funds requires an act of the legislature, exceeds the Department's statutory authority, and may even exceed the scope of the Department's investigation. Therefore, in an effort to be of assistance, and absent state funding of E911 service and disability access from the general funds, Verizon offers the following observations and recommendations.

Subject to the above qualification, Verizon generally agrees with the seven basic principles developed by the National Emergency Number Association to guide the future funding for enhanced 911.² While in general agreement with these seven principles, Verizon offers the following comments about implementation of a funding mechanism.

First, Verizon agrees with the principle that E911 funds must be used solely for providing and administering E911 service.³ Funding for any additional public safety services should have their own funding source. For example, there is no question that personnel who receive 911 calls should be suitably trained to operate the 911 call-handling equipment provided by the program.

² See SETB's May 17, 2006 comments.

³ Verizon also notes that funding for other N11 services is appropriately the responsibility of the provider of the relevant service.

However, the Department should exercise extreme caution in endorsing any proposed costs that stray far from operational training for 911 call handling, or are inconsistent with the General Court's directives in M.G.L. Chapter 6A, Section 18D and section 8 of Chapter 291 of the Acts of 1990 that staffing costs in public safety answering points ("PSAPs") are to be borne by municipalities. Although there may be a broad public benefit to training personnel receiving 911 calls to perform other public safety functions, these costs are most logically borne by local or state general budgets, not telephone customers.

Similarly, the current disability access programs historically have been funded by the current surcharge because their original funding mechanism was the same as 911 – revenues generated from Residence Directory Assistance. However, those programs should now stand on their own – with a separate and distinct surcharge and, similar to other states, administered by a separate state agency. This would allow the SETB to focus on the E911 emergency response system. In making its recommendation to the Legislature, the Department should consider at a minimum a competitively-neutral means to solicit and administer competitive bids for relay services, with the costs shared on a per-subscriber basis by all customers of all carriers. This approach, which is used by many states around the country, distributes costs equitably among all telephone customers regardless of carrier, and does not unfairly require one carrier to shoulder the burden of procuring these services.

Verizon also agrees with the principle that E911 funding must come from all end users that have access to E911 services, without regard to their access method, including VoIP. Last year, the FCC ordered all interconnected VoIP providers to provide E911 services.⁴ Since VoIP

⁴ *In the Matters of IP-Enabled Service, E911 Requirements for IP-Enabled Service Providers*, WC Docket Nos. 04-36 and 05-196, FCC 05-116, 20 FCC Rcd. 10,245 (June 3, 2005) ("*FCC VoIP 911 Order*"). In this order, the FCC specifically noted that many states have laws that require 911 funding contributions from providers of interconnected VoIP and also have other ways to fund the 911 services of VoIP users. (*Id.*, para. 52).

end users will access and benefit from the E911 system, they should contribute towards the costs of the E911 system. However, because the FCC has generally preempted state regulation of VoIP services, any state-mandated fees pertaining to VoIP E911 services must be based on the costs of providing E911 services to VoIP users and amounts assessed by the state on VoIP end users cannot be used to fund anything other than E911 services for VoIP users; these state fees can not be used to support other state costs not directly related to the provisioning of E911 services for VoIP users, such as reducing any pre-existing E911 funding deficit.⁵ In addition, since the collection of E911 surcharges may require VoIP providers to make billing system and other process changes, the Department should provide VoIP providers adequate time to comply with the new rules.

Finally, if the Department recommends that the future funding of E911 or disability programs be accomplished through a surcharge, Verizon suggests that the Department also provide for a periodic review of the costs of the E911 program, disability programs and the revenues associated with any surcharge in order to keep the costs and revenues in balance.

SUMMARY

The future funding mechanisms of E911 and disability access programs are important issues facing the Department and the Legislature. The principles outlined by the SETB are a good start in determining the appropriate mechanism for funding. However, any funding mechanism recommended by the Department to the General Court must be competitively neutral

⁵ By recommending that 911 surcharges be applied to VoIP telephone numbers that are capable of reaching the PSAP, Verizon is not conceding that its VoIP services are generally subject to state regulation.

in that funding must come from all access methods.

Respectfully submitted,

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