

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. 911-015/PI-106
Public Service Commission, on)
its own motion, seeking to)
investigate issues related to) ORDER
the calculation and)
reimbursement of costs to)
carriers of implementing)
enhanced wireless 911 service.) Entered: January 24, 2006

BY THE COMMISSION:

On, August 30, 2005, the Nebraska Public Service Commission (Commission) opened the above-captioned docket, on its own motion, to investigate issues related to the calculation and reimbursement of costs to carriers of implementing enhanced wireless 911 service.

The Commission requested written comment from all interested parties including, but not limited to, wireless carriers, local exchange carriers (LECs), and any third-party vendors on the issues related to the cost of enhanced wireless 911 service in Nebraska. These issues included

1. How wireless carriers and local exchange carriers (LECs) determine costs related to implementing or providing enhanced wireless 911 service, both Phase I and Phase II.
2. How carrier costs are calculated in other states and if done differently than in Nebraska, how the calculations are different and why.
3. Whether carriers receive cost recovery or any kind of subsidy for the purposes of providing or implementing enhanced wireless 911 service in any other state and the extent and basis of that cost recovery. Which states are involved and whether carriers receive full cost recovery or something less.
4. Whether a uniform calculation should be established for determining levels of cost recovery in Nebraska for enhanced wireless 911 service.
5. Any other factors impacting the costs of implementing or providing enhanced wireless 911 service.

The Commission received comments from Swiftel Communications, Verizon Wireless (Verizon), ALLTEL, Nextel Partners, and Colorado Cellular, Inc., dba Viaero Wireless

(Viaero). Copies of the written comments were received into the record.

A public hearing on this matter took place on December 6, 2005. Testimony was received from Loel Brooks on behalf of Viaero; Steve Seglin on behalf of Verizon; Steve Meradith on behalf of ALLTEL; and Mark Masterson, general manager of Indigo Wireless and member of the Enhanced Wireless 911 Advisory Board.

E V I D E N C E

For purposes of distributing or requesting reimbursement for wireless E911 services, Viaero calculates its costs on an actual cost basis for hard and soft costs. Hard costs include third party hardware and software, equipment upgrades at switching centers and cell sites, transmission capacity between cell sites, switching centers and costs at the PSAP level. Soft costs include those charges for installation, maintenance and monthly recurring charges from third-party E911 vendors. Viaero's costs are calculated similarly in Colorado.

According to Viaero's written comments and Mr. Brooks' testimony, Colorado employs an E911 fund offering full cost recovery to wireless carriers. The surcharge is determined and approved by the Colorado Commission separately for each carrier based upon actual carrier costs. Viaero asserts that reimbursement of costs is necessary for smaller, independent carriers as they do not have as many subscribers over which to spread the costs. Mr. Brooks concluded by testifying that there is a legitimate economic value to having a funding mechanism of some kind with respect to Phase II wireless enhanced 911 service. However, Viaero does not support a uniform calculation for reimbursement of wireless enhanced 911 costs due to differing technologies and circumstances of various carriers.

Mr. Seglin testified that Verizon does not currently seek cost recovery from the state of Nebraska or obtain any other kind of subsidy for the costs incurred to deploy Phase II wireless enhanced 911 service. He further stated that Verizon also does not adjust its rates in Nebraska to cover Phase II costs. Verizon employs a GPS system with a handset solution to deploy Phase II.

Mr. Meradith testified that ALLTEL intends to impose an additional surcharge for Phase II costs for a set period of time depending upon the jurisdiction and PSAP involved and the number of subscribers in that specific area. After the expiration of that period, the surcharge would be lowered to cover monthly

recurring charges. ALLTEL will not be seeking cost recovery from the Fund for Phase II.

Mr. Masterton provided testimony regarding the different types of platforms utilized by carriers to provide cellular service, Time Differential Multiple Access (TDMA), Code Division Multiple Access (CDMA), and Global Systems Mobile (GSM). He testified that costs for implementation of Phase II wireless enhanced 911 would vary depending upon the type of platform utilized by the carrier. CDMA and TDMA will roll over to an analog signal if it cannot locate a digital tower. However, GSM will not. According to Mr. Brooks, approximately 78% of the world utilizes GSM technology. CDMA carriers utilize a GPS chip in the handset in order to locate a Phase II wireless enhanced 911 call. TDMA phones do not have and cannot use a GPS chip. TDMA and GSM systems utilize network solutions for locating a Phase II wireless enhanced 911 call.

Mr. Masterton testified that Indigo and Cingular utilize a TDMA network. However, Cingular is in the process of converting to a GSM network. ALLTEL uses a CDMA platform. Viaero employs GSM. He further stated that those companies whose phones contain a GPS chip will incur lower costs generally for deploying Phase II wireless enhanced 911.

O P I N I O N A N D F I N D I N G S

The Commission finds that there are multiple technologies that may be used to provide wireless enhanced 911 services. Some are more costly than others. Additionally, some wireless carriers are able to implement Phase II without seeking cost recovery from the Fund. However, other wireless carriers have expressed a need for cost recovery due to their smaller customer base, higher costs or other circumstances.

The Commission finds that the information received in this docket shall be used in evaluating and proposing possible legislation addressing reimbursement of carrier costs for implementation of wireless enhanced 911 throughout Nebraska. Furthermore, the information may be used to determine reimbursement to wireless carriers consistent with any future legislation. The Commission further finds that this docket should be closed. However, the Commission may periodically conduct similar investigations into the calculation of wireless carrier costs for the implementation of enhanced wireless 911 service in the future.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the information received in this docket shall be used in evaluating and proposing possible legislation addressing reimbursement of carrier costs for implementation of wireless enhanced 911 throughout Nebraska and determination of wireless carrier reimbursement allowed by any future legislation.

IT IS FURTHER ORDERED that this docket is closed. However, the Commission may periodically conduct similar investigations into the calculation of wireless carrier costs for the implementation of enhanced wireless 911 service in the future.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of January, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director