

E911 Wireless Service Board Meeting
September 9, 2010
10:00 AM - CESC

Members Present:	Michael Cline, Chairman John Knapp, Jr. – Co-Chairman David Von Moll - Comptroller Linda Cage Battalion Chief Tracy Hanger Pat Shumate	Phil Heins Chief Ron Mastin Lt. Col. Robert Kemmler Mickey Sims Robert Layman Samuel Nixon, Jr.
Members Absent	Denise Smith Chief Henry Stanley	Danny Diggs
Remote	Abingdon Culpeper	Roanoke Tidewater
Staff Present:	Dorothy Spears-Dean, Coordinator Terry Mayo, Administrative Assistant Steve Marzolf, ISP Director	Sam Keys, Regional Coordinator Lewis Cassada, Project Manager Lisa Nicholson, Project Manager Susan Siegfried, Commonwealth Counsel

1. CALL TO ORDER

Mr. Cline called the meeting to order at 10:09 AM. Mr. Cline welcomed everyone. Ms. Spears-Dean did a roll call to the Regional Facilities.

2. APPROVAL OF THE MINUTES FROM JULY 21, 2010

Mr. Cline asked for changes/additions to the July 21, 2010 minutes, and there were none. A motion was made to approve the minutes, and the minutes were 2nd for approval. All approved the July 21, 2010 Minutes, **10-0-0** (Mr. Layman had not yet arrived).

3. FISCAL 2011 VERIZON BILLING AGREEMENT

Mr. Steve Marzolf addressed the Board and said that at the July 21 Wireless Services Board meeting he was not present to discuss the billing agreement. Mr. Marzolf said that the CenturyLink Billing Agreement has been executed. However, the Verizon Billing

Agreement has not yet been executed. Mr. Marzolf said that Verizon and ISP staff had reached an impasse, because of some liabilities and limitations to which the Commonwealth could not agree. However, they have since refocused and came back to the table and have begun discussions again. That is why Mr. Marzolf is bringing the issue back today for the Board to consider. Mr. Marzolf gave a brief overview of the history of the Verizon Agreement to the Board and to the new Board Member, Mr. Sims. Mr. Marzolf said that late yesterday afternoon Verizon filed a “tariff” relating to the billing agreement (which is on the ISP website, www.vita.virginia.gov/isp). Mr. Marzolf said he did not feel comfortable signing the agreement until Board members had an opportunity to review it. Mr. Marzolf informed the Board that in their packet there is a current copy of the Verizon Agreement. Mr. Marzolf said that this will not cause any interruption in service because of the ongoing negotiations. He wants to make sure that the agreement does not commit the localities to anything. Mr. Marzolf said that the document is an agreement between the Board and Verizon and does not commit the PSAPs to anything. Mr. Marzolf said that the money that is committed to pay for the agreement is the PSAPs money, and he wants to make sure that the PSAPs are aware of what is included in the agreement. Mr. Marzolf said that he wants to make sure that everyone is in agreement, and he wants to get a response from every PSAP that they are on board with the agreement to “opt in” or “opt out” on the Board paying for the services for the PSAPs. There is a 15 day window in the agreement to allow for this. Staff will develop the process. Mr. Marzolf said that the “tariff,” along with the “agreement” will determine how PSAPs will consume wireless 9-1-1 services and wants to make sure that the PSAPs are aware and know what is included in the Verizon Billing Agreement. Mr. Marzolf said that he does not know if the State Corporation Commission has accepted the tariff yet; although the tariff does go into effect 30 days after it is submitted. Mr. Marzolf also stated that the Verizon Billing Agreement will still have to go through the final legal review. A substantive change was made in the Agreement which does cause some risk on the Board and that is in Exhibit B. This change removes the cost break down by locality in the Agreement. Mr. Marzolf said that the “tariff” proposes a different methodology. Mr. Marzolf also said that since all localities have indicated that they want to “opt in,” the break-down is irrelevant. Exhibit B gets revised each year. So at this point, he has requested that the break-down be removed. Mr. Marzolf said that the risk after the 15 days is that there is no definitive amount in the agreement if a PSAP decides to “opt out” in the middle of the agreement. Mr. Marzolf said that he is confident that this will not be a problem, and that the Commonwealth will be able to still negotiate with Verizon for a fair amount. As a result of the volatility of the issue of how to break-down the amount among the PSAPs, and as long as the total cost is appropriate to cover their cost. This has not been a major issue for Verizon in the past.

Mr. Marzolf said that this agreement is not any different than the prior agreement in what it does. Mr. Marzolf also said that this document is up for final legal review by the Attorney General’s Office and Verizon. Mr. Marzolf asked if there were any questions from the Board members. A lengthy discussion began with questions and comments from several Board Members. Also, a question was raised as to who must sign the document. Mr. Cline said that at the last meeting it was determined that Mr. Cline and Mr. Nixon be given authority to review and sign this document. Mr. Nixon designated Mr. Marzolf to sign on his behalf. Mr. Cline said that he considers this authority to be still in effect.

Mr. Cline asked for questions and comments from the Regions, and from the people in the audience at CESC. Ms. Athena Plummer addressed the Board from CESC and asked

a question.

Mr. Marzolf made a statement that because the Commonwealth is not subject to the tariff, the tariff does not trump the Billing Agreement.

A motion was made that assuming the designated staff asked to review the document is in agreement and works through the legal issues with Counsel, the Board approves the moving forward and execution of the Verizon Billing Agreement. The motion was approved; **10-0-1** (Mr. John Knapp abstained).

Mr. Marzolf addressed the Board again, and said that the 2010 outstanding Verizon invoice has not been addressed, and that this is forthcoming. Mr. Marzolf said he appreciates the Board's trust in moving this issue forward.

4. FUTURE PATH OF WIRELESS 9-1-1 SERVICES BILLING AGREEMENTS

Ms. Spears-Dean addressed the Board and gave a brief overview of the Wireless Services Billing Agreements. Ms. Spears-Dean said that on July 26 there was a meeting with the PSAPs. There was consensus from the PSAP community that payment of the FY2012 billing agreements should come "off the top" of the Wireless Fund before the 60/30/10 split. A Wireless funding survey has been developed by the Virginia Chapters of APCO and NENA to get involved in this issue. Ms. Spears-Dean said that although this action is the easiest to implement, it does require legislative change. Ms. Spears-Dean said this issue has been included as a legislative agenda item in the FY2010 Annual Report and also a need to have a fall-back option (Plan B). Ms. Spears-Dean said that there is agreement within the PSAP Community for the 60% Operating Fund to be a fall-back option for the FY2012 billing agreements. However, there is not a consensus as to how this expense would transition to the 60% Operating Fund, and what percent, if any, would come from the 10% Grant Fund. Both of these recommendations will have an impact on the wireless revenue PSAPs receive each month, since any scenario not entirely paid for by the Grant fund has some impact on the Operating Fund. Ms. Spears-Dean suggested that beginning in FY2012 there is a transitional approach to eventually fully funding the billing agreements through the Operating Fund by starting with a 60/40 split between the Operating Fund and the Grant Fund. The survey showed preference for starting off with a 50/50 split. However, Ms. Spears-Dean pointed out that the 60/40 split is a better substitute for the preferred "off the top" approach since it is a more closely approximate, with only a few exceptions, the revenue amounts each PSAPs would receive with this preferred approach. Ms. Spears-Dean said that the outcome of the proposed legislative change will not be known until March 2011, but at that point in time, most local budgets will already be set. Ms. Spears-Dean said that some other things to consider with the Plan B option is the distribution methodology for the statewide wireless 9-1-1 services among the Verizon PSAPs. Ms. Spears-Dean said that in the FY2011 Verizon Billing Agreement, wireless

shell records were used, but a suggestion from the PSAP community was to use the same distribution methodology as the Verizon tariff. Ms. Spears-Dean asked “how and when would the \$40,000 minimum funding amount be calculated?” In order for every PAP to receive a minimum amount of \$40,000 in wireless funding with the “off the top” approach the encumbrance for the billing agreements would occur before the 60/30/20 split is made. Ms. Spears-Dean said that with a combined Operating/Grant fund approach for the billing agreement the encumbrance would occur after the 60/30/10 split is made with 60% coming from the Operating fund and 40% coming from the grant fund. However, with the combined approach the revenue transfer from the PSAPs receiving more than \$40,000 to the PSAPs receiving less than \$40,000 is a greater percentage with the combined approach. Ms. Spears-Dean wants the Board’s approval for the “Plan B” approach. Mr. Knapp asked about how the two distributions are made from the Wireless Fund for The Virginia State Police and the Comp Board. Ms. Spears-Dean said that the transfer for the VSP comes off the top and that the transfer to the Comp Board comes from the 30% CMRS Fund. Mr. Knapp asked that since we know what the Verizon contract is we should know what the revised adjustment amount for PSAPs will be for the \$40,000 minimum. Ms. Spears-Dean said that currently this amount is about 2%, but will provide further analysis that considers the billing agreements. Mr. Cline asked for more questions. Mr. Marzolf said that staff did provide a spreadsheet that shows the cost potential impact. Mr. Cline made a motion on the support of proposed plan B. Mr. John Knapp made a motion that a “Plan B” be established, and Mr. Pat Shumate 2nd the motion. All approved;

11-0-0.

5. FY2010 ANNUAL REPORT

Ms. Spears-Dean addressed the Board and said in the Board’s packet there is a copy of the Annual Report. Ms. Spears-Dean said that it is required by code that an Annual Report be filed each year. Ms. Spears-Dean said that this report is sent each year to the Governor and other areas of government. Ms. Spears-Dean said that Lee County is the only remaining wireline project and the only remaining wireless Phase I deployment. Ms. Spears-Dean said that Lee County and Tazewell County are the remaining wireless Phase II deployments.

Ms. Spears-Dean said that the next phase of 911 technologies will be IP-based, and that staff has already begun planning for this next phase, commonly referred to as Next Generation 911 (NG911) through a baseline survey initiative. The goal of this initiative is to create a comprehensive inventory of all assets, resources, services and capabilities of primary wireless PSAPs. The categories collected are jurisdictional and contact, financial, facilities management, equipment, technologies and telecommunications, and staffing operations. The data elements captured from these categories will be used in performance-based initiatives to gain insight for strategic and tactical planning. Ms. Spears-Dean said that there is

a need for legislative changes. The changes last made were in 2006. Ms. Spears-Dean said that the overall goal of these legislative changes has had their desirable effect, but that not all PSAPs have received the same level of funding. Some PSAPs have been benefiting more than others. PSAPs with the greatest amount of local investment benefit the most from the Fund. The first proposed legislative changes for the upcoming General Assembly session is to give the Board the flexibility to extend the data collection period used to calculate the distribution percentage up to 36 months to minimize data anomalies from year to year. The second proposed change is to move the payment recalculation effective date to coincide with the beginning of the fiscal year to improve the ability of local governments to forecast wireless revenue in the upcoming year. And the third proposed legislative change is one that has been presented by the PSAP community and involves the funding source for the wireless 911 services billing agreements. The consensus of the PSAP community is to for these agreements to be paid “off the top” of the Wireless Fund. The result would be that wireless 911 services would be paid for on behalf of the PSAPs before any further wireless fund distribution is made.

Ms. Spears-Dean talked about a need for change in the surcharge. The PSAP community has begun to comment that the surcharge may be insufficient moving forward. The current biennial budget includes a \$3.7 million appropriation to the VSP for wireless 911 call taking (even though the need no longer exists) and an \$8M transfer to the Compensation Board, which will challenge the ability of the fund to remain fiscally sound going forward. Four cycles of the PSAP grant program have been completed, resulting in over \$32 million in funding to localities, but the \$8M transfer has meant that there is \$8M less funding available in FY2011 from the PSAP Grant Program to fund critical PSAP projects. Ms. Spears-Dean said that a recent FCC report to Congress identified the \$8M transfer from the Wireless fund to the Compensation Board as a diversion from the purposes designated in the funding mechanism, which will have a direct impact on the Commonwealth’s ability to receive Federal E911 grant funding in the future, and may jeopardize current Federal E911 grant funding. Mr. Knapp asked for a clarification about the “diversion” money going to the State Police and Compensation Board. Mr. Knapp said he would like to see an analysis. Ms. Spears-Dean said she has captured the mechanics of this in the new business section of the agenda. Mr. Nixon made a comment that we all need to recognize that the Legislature made the decision. Right now it is up to the Governor to make a change as to how this fund is used. Mr. Nixon said that now is the time to raise that issue with the Secretary of Technology. He said that VITA staff is willing to work on getting the white papers together if the Board wants to pursue this issue. The Board agreed that Mr. Nixon and staff work on getting the issue reviewed.

Ms. Spears-Dean said that staff has continued to work on the refresh of the 9-1-1 Comprehensive Plan and provide information on multi-line phone systems that went into effect on July 1, 2009.

Mr. Cline asked for questions from the Board, and Mr. Knapp commented that he would like to recommend that the board take a strong recommendation that there needs to be a change in the funding. Mr. Knapp made a motion that the Board request that this issue of the funds allocated to the Compensation Board and the State Police report be modified to reflect the modification that the diversion needs to be corrected. Mr. Heins 2nd the motion. Mr. Cline said the Board is recommending that the Board follow Mr. Nixon's recommendation. Mr. Von Moll asked that staff provide a little more information on how this current legislation will impact the funding. Mr. Cline called for comments from the Regions, and Culpeper asked if any the PSAP community could be involved in the discussions. Mr. Cline commented yes. Mr. Cline called for a motion that staff look into the funding of the VSP and Comp Boards. Linda Cage made a motion to approve and Mr. Heins 2nd the motion for approval. The motion was passed **10-0-1** (Lt Kemmler abstained).

6. BASELINE SURVEY INITIATIVES

Ms. Spears-Dean informed the Board that this effort was part of the five original initiatives in the 9-1-1 Comprehensive Plan. In the two years that the plan has been in place other deliverables has been developed. Ms. Spears-Dean said that originally the purpose of the baseline initiative was to create a greater understanding of regional and local successful service and disparities, and identify gaps that need to be addressed. The current ongoing deliverables are to publish maps on the ISP website; create a searchable database; determine which data elements serve other initiatives, and develop a plan for sustainability. Ms. Spears-Dean showed the Board a map that has been developed from the surveys which shows the CPE (Customer Premise Equipment) vendor. The next map was a CAD Vendor map (see attachment). Also a map of the mapping software vendor was shown. Ms. Spears-Dean asked for questions. There were none.

7. ISP BUSINESS PLAN

Mr. Steve Marzolf addressed the Board and said he did not include the business plan in the Board packet; however, it is on the ISP website. He is asking the Board to go out and look at the ISP Business Plan. Mr. Marzolf said he is open to suggestions on the plan.

8. OLD BUSINESS

Verizon – No discussion

9. NEW BUSINESS

Mr. Cline introduced the new Board Member – Mr. Sims and welcomed him to the Wireless Services Board.

- **PSAP Grant Committee Report:** Ms. Spears-Dean said the PSAP Grant committee met on September 2 and talked about moving forward with the priority 1 and priority 2 Continuity and Consolidation grants. The Board approved the prioritizing of the projects back in March. The Board is considering \$844,577 for the FY2011 grant. Mr. Cline called for a motion to approve the funding. Mr. Von Moll made a motion that the funding be approved, and Mr. Pat Shumate 2nd the motion to approve the funding. The motion passed; **11-0-0**.

Ms. Spears-Dean addressed the Board and said that staff, at the last Board meeting, was asked to develop a mid-year reporting process and strategy to reduce \$9,396,441 in outstanding grant awards for the last three fiscal years, which will expire June 30, 2011 (FY2010 - \$6,448,183; FY2009 - \$2,255,075, and FY2008 - \$692,183). Ms. Spears-Dean said staff is trying to understand why some of the grants awarded have not been used or funding draw-down.

The Committee started its preliminary draft of the FY2012 Guidelines and application. Ms. Spears-Dean said she did receive an emergency request from Island of Wight that will not be presented for funding at this time.

- **Status of ENHANCE 9-1-1 Grant:** Ms. Spears-Dean said staff is working to resolve the “diversion” issue with the appropriate federal agency as part of the year-end close out process.
- **Schedule for Town Hall Meetings:** Ms. Spears-Dean said she does not have a schedule yet for the Town Hall Meetings. However, she said that the initial one will be at the Commonwealth Enterprise Solutions Center (CESC). These meetings will start in late September and continue until the 1st Week in November. The Virginia chapters of APCO and NENA will assist and information will be made available through the ISP listserv.
- **CMRS subcommittee:** Ms. Spears-Dean said that the CMRS Subcommittee met prior to this meeting. The Committee received a funding request from Cricket for Fiscal Year 2011. The Committee agreed to recommend that the request be approved. Pat Shumate made a motion that the Board approves the Committee’s recommendation. Mr. David Von Moll 2nd the motion for approval. The motion passed; **11-0-0**.

Mr. Marzolf addressed the Board and said Financial Reports were sent to Board members that indicated that we finished FY 2010 with a deficit. However, because we operate on a cash basis, the Fund remains sound.

10. PUBLIC COMMENT

Mr. Cline called for public comments at CESC and at the satellite locations.
There were none.

11. ADJOURNMENT OF THE MEETING

Mr. Cline called for a motion to adjourn the meeting of the Board at 12:35 PM.
All approved, and the meeting was adjourned.

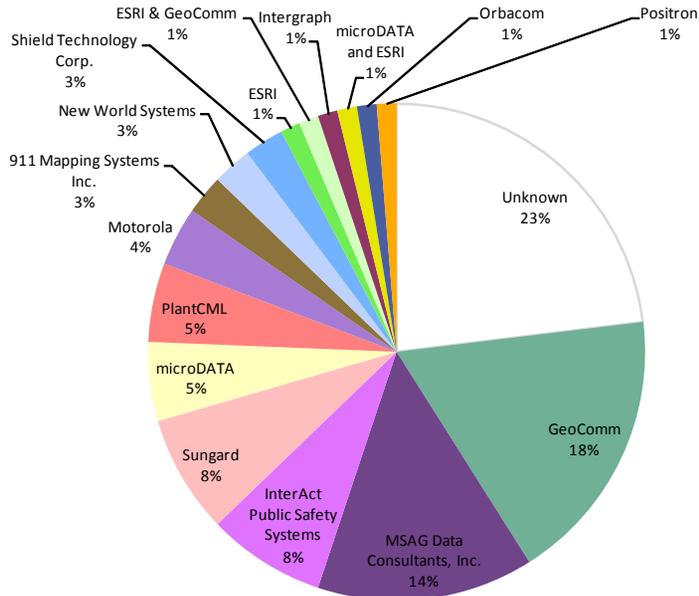
Respectfully Submitted:

Terry D. Mayo

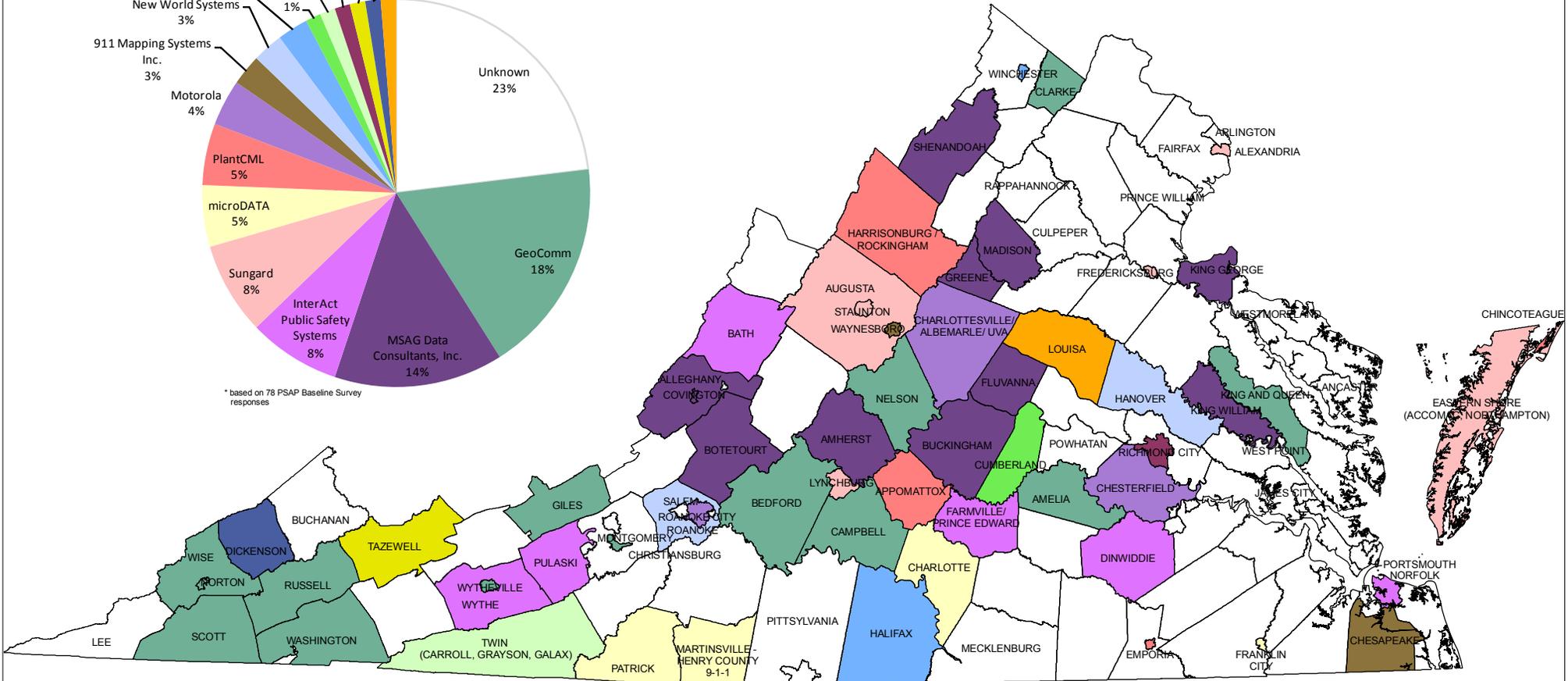
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Commonwealth of Virginia Wireless PSAP Boundaries

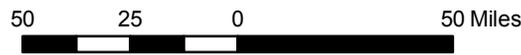
Showing Mapping Software Vendor



* based on 78 PSAP Baseline Survey responses



Mapped data was compiled from the completed E-911 Wireless Services Board's 2009 PSAP Baseline Surveys. Labels indicate a survey was received from that PSAP.



Mapping Software Vendor



July 6, 2010



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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 is still one (1) locality left that is diligently working to deploy this level of service. Due to issues beyond its control, the locality was forced to secure the services of another addressing vendor to complete its wireline project. A new vendor has been selected and the locality will complete their wireline project by June 30, 2011. An extension has been sought and granted by the Board, 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 only one deployment remaining. The one locality that has not completed this deployment is among the most rural in Virginia and is aggressively working toward deployment.

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 available to more than 99% 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 next iteration of 9-1-1 technology will be IP-based and staff for the Wireless E-911 Services Board has already begun planning for this next phase, commonly referred to as Next Generation 9-1-1 (NG9-1-1), through a baseline survey initiative. The goal of this initiative is to create a comprehensive inventory of all assets, resources, services and capabilities of primary wireless PSAPs in the Commonwealth from the following categories: jurisdictional and contact; financial; facilities management; equipment, technology and telecommunications; and staffing and operations. Data elements captured from these categories will be used in performance-based initiatives, to help the Board and staff gain insight for strategic and tactical planning and decision making, and to develop business cases for enhancing PSAP operations. Preliminary results of this survey can be found via the following link: <http://www.vita.virginia.gov/isp/default.aspx?id=12498>.

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

The Wireless E-911 Services Board is recommending three legislative changes for the 2011 General Assembly Session to increase the efficiency of the funding process supported by the Wireless Fund and the use of its revenues. The changes made in 2006 to the funding process have had the desired effect, but not all PSAPs have experienced the same level of benefit. As a result, the Board established a Wireless Funding Committee to review the Wireless Fund distribution methodology, and if appropriate, recommend changes. The Committee has recommended two changes that require changes to Code. The first one is extending the data collection period used to calculate the distribution percentages to 36 months to minimize data anomalies from year to year. The second one is to move the payment recalculation effective date to coincide with the beginning of the fiscal year to improve the ability of local governments to forecast wireless revenue in the upcoming year. Minimum costs and wireless call load percentages will continue to remain part of the funding distribution methodology. The third legislative change is one that has been presented by the PSAP community. This change involves the funding source for the wireless 9-1-1 services billing agreements. Previously, these agreements were paid for with Fund Balance, but there is no longer a surplus that can be used for this purpose. As an alternative, the consensus of the PSAP community is to include payment of these agreements through the Appropriations Act, paying for wireless 9-1-1 services on behalf of the PSAPs, before any further wireless revenue allocation is made.

Additionally, the Board continues to work on planning for the future of E-911 and is in the process of completing a refresh to the Statewide Comprehensive Plan for 9-1-1 that was approved in January 2008 <http://www.vita.virginia.gov/isp/default.aspx?id=8486>. This plan identifies the key strategic initiatives for improving 9-1-1 services and functionality across Virginia. As the tasks and deliverables that were identified as supporting the Plan's initiatives near completion, the Board needs to revalidate the Plan's current vision and goals for relevancy and make recommendations for new initiatives. The Virginia chapters of the Association of Public Safety Communication Officers (APCO) and the National Emergency Number Association (NENA) have stepped forward to partner

with the Board on this new planning effort. The refresh of the 9-1-1 Comprehensive Plan should be completed by the end of this calendar year.

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

The Wireless E-911 Fund remains fiscally sound. The amount of total funding distributed to the PSAPs has increased each year, but not all PSAPs have benefited equally. 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. Staff for the Board has begun to hear comments from the PSAP community that the surcharge may be insufficient moving forward. With an \$8M transfer included in the current biennium budget from the Wireless Fund to the Compensation Board, the ability of the Fund to remain fiscally sound in the future will become more challenging. Additionally, four cycles have been completed for the PSAP Grant Program, which was also established in 2006. This has resulted in over \$32 million being provided to the localities for the replacement of outdated equipment and to expand services to the citizens of the Commonwealth. However, because of the \$8M transfer mentioned above, there will be \$8M less funding available in FY 2011 for the PSAP Grant Program to fund critical PSAP projects.

The current biennial budget also includes a \$3.7 million appropriation to the State Police for wireless 9-1-1 call taking. However, all localities in the Commonwealth are currently accepting wireless calls and no longer rely on the State Police to transfer wireless 9-1-1 calls to them. Thus, justification for the State Police receiving Wireless E-911 funding no longer exist. Continuing the appropriation to the State Police after they are no longer taking the wireless 9-1-1 calls may further jeopardize the eligibility of the Commonwealth and all of the localities for federal E-911 grant funding. A recent FCC report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges identified the \$8M transfer from the Wireless Fund to the Compensation Board as a diversion from the purposes designated in the funding mechanism, which will have a direct impact the Commonwealth's ability to receive federal E-911 grant funding in the future and may jeopardize current federal E-911 grant funding.

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. Most of the provisions of Article 8 (§ 56-484.19 et seq.) of Chapter 15 of Title 56 took effect on July 1, 2009, and as a result, information requested on these provisions have been provided to interested parties during FY 2010.

The following sections of the report provide a more detailed analysis of the current state of E-911 in the Commonwealth, as well as 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 one (1) of those original localities has deployed E-911 Service (Figure 1). It is anticipated that Lee County will complete their wireline project by June 30, 2011, at the end of this current fiscal year. Due to issues beyond its control, Lee County was forced to secure the services of another addressing vendor to complete its wireline project. The original vendor selected by the County was not able to complete its contract because of a business decision it made to terminate addressing services in southwest Virginia. This caused a delay in the project until another vendor was selected. Lee County did select another vendor and the locality's wireline project is once again moving forward. The first step, since the selection of this new vendor, has been a review of the addressing data obtained to date. A plan was then formulated to complete the

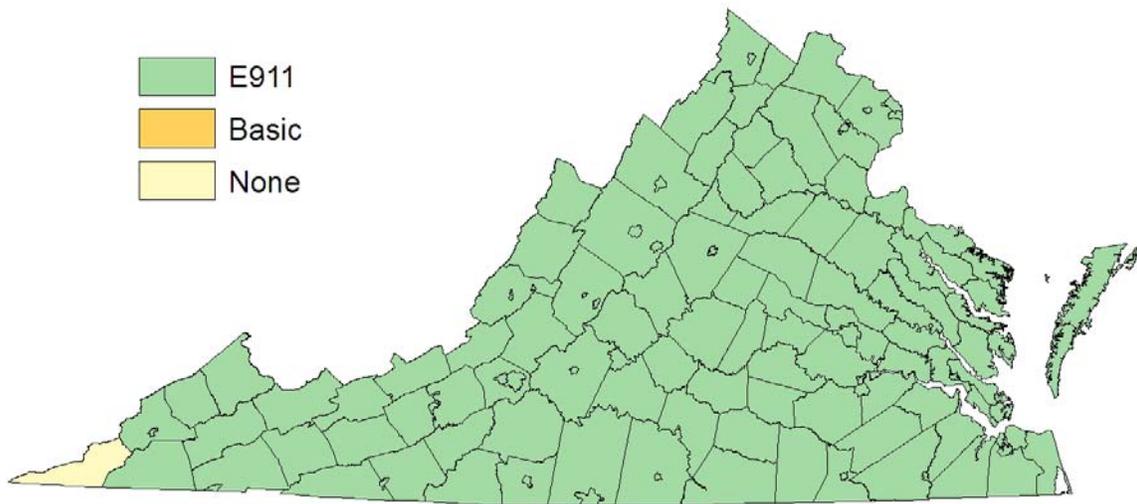


Figure 1 – Wireline E-911 Deployment Status

necessary field work. Since beginning the addressing project, Lee County has completed address verifications for just over 10,000 resident phone numbers with another 2,000 remaining. This is no small feat in a rural and sparsely populated jurisdiction. The County has been working diligently on this project and will soon begin their third address pass in an attempt to complete the conversion process to deploy E-911 by the end of fiscal year 2011.

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 question 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

Phase II Accuracy

Network based solution:

Accuracy

- 100 meters 67% of the time
- 300 meters 95% of the time

Handset based solution:

Accuracy

- 50 meters 67% of the time
- 150 meters 95% of the time

Figure 2 - FCC Phase II Requirements

this time. Since its decision in September 2007, the FCC has not yet put into effect the enhanced 911 location accuracy rules.

Phase I Project Status

To date, one hundred twenty-nine (129) 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. A total of 710 out of 711 (99%) Phase I deployments have been completed as of June 30, 2010. Only 1 more deployment in 1 locality must be completed (Figure 3).

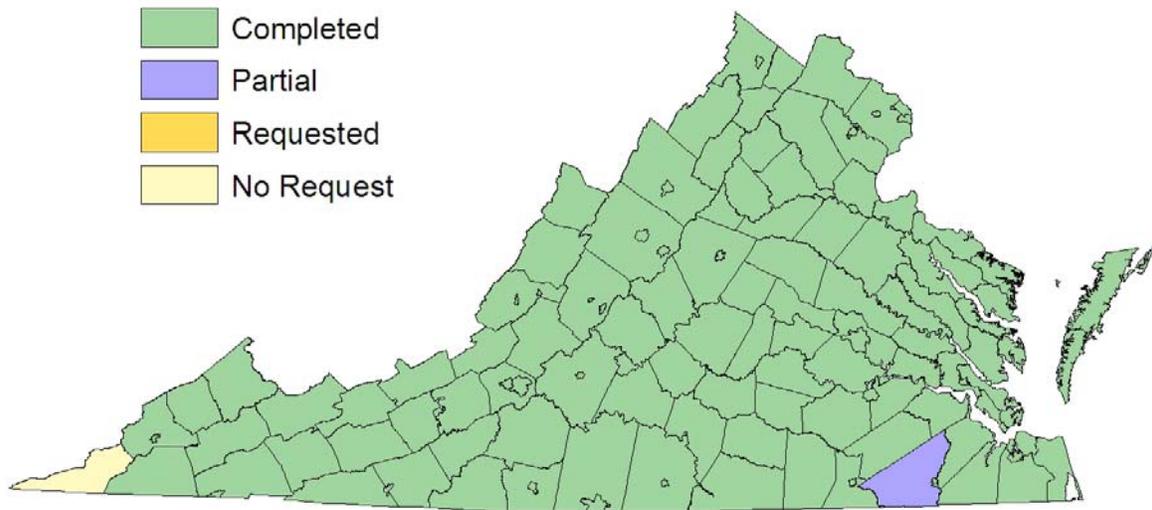


Figure 3 - Wireless E-911 Phase I Status

Phase II Project Status

Strong support to complete wireless E-911 Phase II deployment continued in FY2010. To date, a total of 709 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 FCC order required deployment to begin by October 1, 2001, every major wireless service provider sought and received a waiver of that requirement from the FCC. The waivers granted each provider an extension of time but did not relax the accuracy requirement nor extend the ultimate completion date for implementation, which was December 31, 2005 for 95% of all subscribers to have location equipped handsets. Unfortunately, none of the carriers met this deadline. In May 2006, Verizon Wireless was the first wireless provider to meet the 95% threshold. Though this is less an issue of wireless carrier performance than it is about customer choice, most of the wireless providers have now met this threshold.

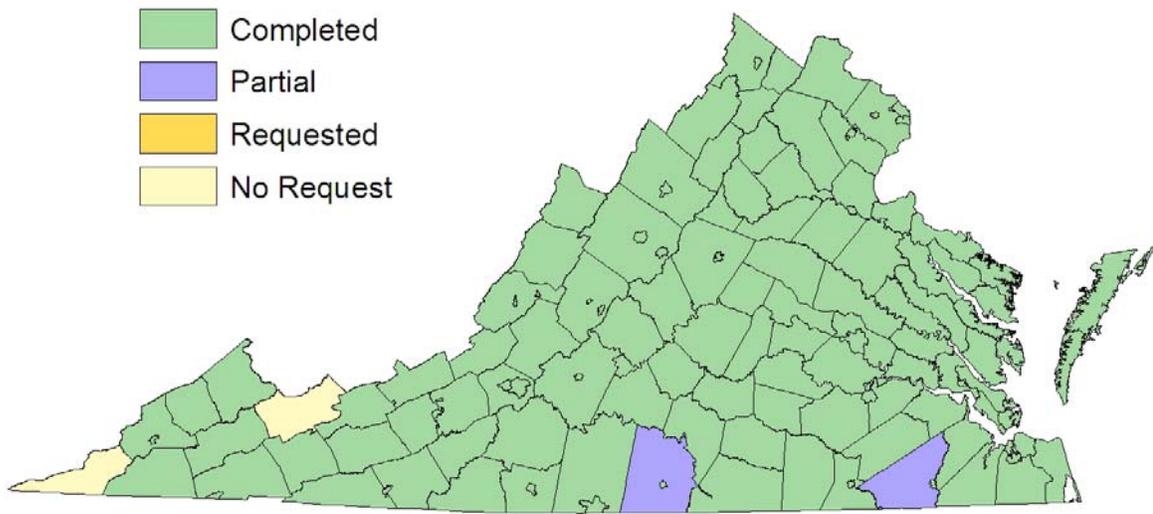


Figure 4 - Wireless E-911 Phase II Status

Wireless service providers are required to provide the Board with monthly status reports. The “Requested” status means that the PSAP has requested service and that it has not yet been installed, but it does not necessarily mean that the project is behind schedule. Currently, two localities have not requested Phase II service. The first locality, Tazewell County, is completing a re-verification project. Once this project is completed, the locality will request this service. The second locality, Lee County, is completing a wireline E-911 project. Once this locality has wireline E-911, the locality will request this service.

Wireless Responsibility

Section 56-484.16 of the *Code of Virginia* makes clear the General Assembly’s intent that wireless 911 calls be answered by the local PSAP where the call is initiated instead of by the State Police. The *Code* required that by July 1, 2003, all localities be directly taking the wireless 911 calls made within their jurisdiction. Rather than just taking the call as required by Code, many localities opted

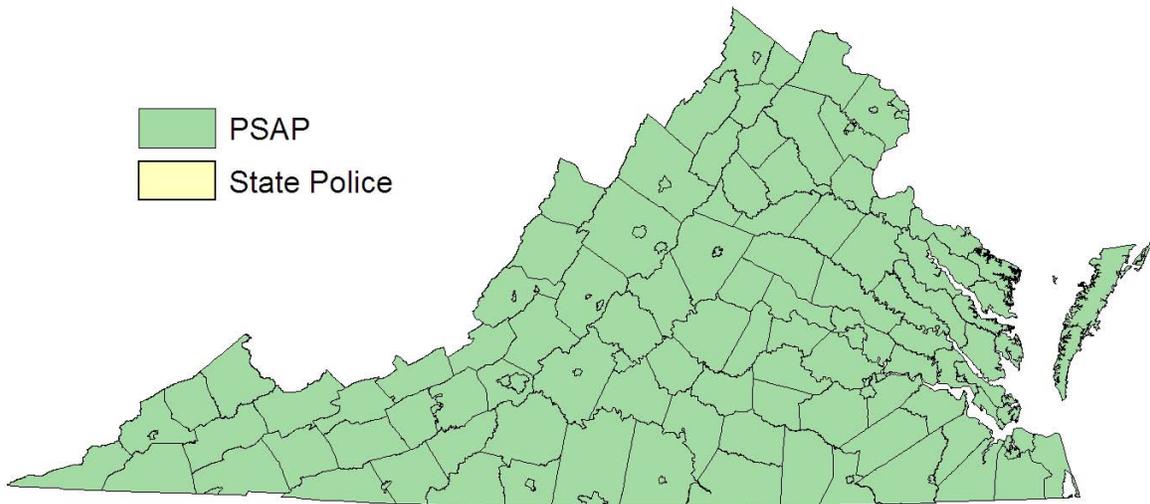


Figure 5 - Responsibility for Wireless 9-1-1

to deploy Phase I instead. As a result, the success with Phase I deployment translated into success with moving the calls from the State Police to the local PSAP.

At the close of FY 2003, 19 localities were still directing their wireless 9-1-1 calls through the State Police. At the close of FY 2009, that number had been reduced to zero. Presently, all localities are

now accepting all of their wireless 911 calls, including Lee County, which is still working on deploying wireline E-911 service (Figure 5). Currently, Lee County receives a wireless 9-1-1 call without the caller's number or location information.

State of the Wireless E-911 Fund

Wireless E-911 Fund

The Wireless E-911 Fund is generated by a \$0.75 monthly surcharge collected from each wireless customer whose place of primary use is in Virginia. One question the Board is asked annually is whether the surcharge rate should be adjusted. With the changes to the funding process made during the 2006 General Assembly Session, this question requires a different approach to answer than in previous reports. In the past, the funding required was based on the actual costs incurred by the PSAPs and wireless carriers. Determining sufficiency of the fund and appropriate surcharge required a projection of the expected costs that would be incurred during the fiscal year. With large fluctuations and disparity of the initial, non-recurring costs, accurate projections were often difficult.

The 2006 legislative change (described below) modified the funding process to distribute the majority of the Wireless E-911 Fund based on a formula. As a result, sufficiency of the surcharge is less relevant except in two instances. First, thirty percent of the Wireless E-911 Fund is earmarked for wireless service cost recovery. In recommending this change, the Board's intent was that this amount be sufficient to fund the known, on-going costs of the providers. Since the providers have historically only collected approximately 26% of the fund, past projections of known provider costs indicated that this portion of the fund would be sufficient within the current surcharge rate. However, as part of the current biennium budget, \$8M was transferred in FY 2010 from the thirty percent of the Wireless E-911 Fund earmarked for wireless service cost recovery, to the Compensation Board to support Sheriffs' dispatchers. In FY 2010 sufficient funding was available from the remaining portion of the earmark to pay all wireless service cost recovery requests. If these cost recovery requests stay at or below current levels, it is anticipated that there will be sufficient funding in FY 2011 to pay these requests as well. But, this situation could change if further guidance is provided by the FCC regarding accuracy compliance testing. Unfortunately, no fiscal impact analysis was performed before the FCC made their latest policy decision. Additional costs related to accuracy testing, coupled with the recent transfer from the Wireless E-911 Fund to the Compensation Board, may impact the ability to pay wireless cost recovery requests.

The second instance where the surcharge rate could have a potential impact is with PSAP funding. The localities have come to rely on the wireless E-911 funding source to operate and maintain their PSAPs. Any reduction to the overall funding would be detrimental to service delivery. The surcharge rate must be sufficient so that the distribution formula results in consistent funding to the locality. Historically, the PSAPs have received forty-eight percent of the Wireless Fund for recurring and operational costs. Since the new process distributes sixty percent of the fund to the PSAPs, the funding level was projected to increase, which it did. This increase made more funding available for equipment replacements and upgrades, but not all PSAPs have benefited equally from this funding increase. Each year, since the current funding distribution methodology was put into place, PSAPs located within the fastest growing localities continue to receive more funding than those PSAPs located in the slower growing localities. For many of these PSAPs, they have experienced a four year decline in wireless funding.

To provide insight into this trend, the Board established a Wireless Funding Committee on September 24, 2009 to review the Wireless Fund distribution methodology, and if appropriate, recommend changes. The Committee met several times and recommended at the Board's November 19, 2009 meeting to change the data collection period and payment recalculation effective date. The Committee recommended extending the data collection period to 36 months to minimize data anomalies from year to year and move the payment recalculation effective date to coincide with the beginning of the fiscal year to improve the ability of local governments to forecast wireless revenue in the upcoming year. Since these recommendations required legislative change, the Board authorized staff to pursue these changes, but unfortunately, these changes were not included in the final budget document released by the 2010 General Assembly. However, the Board did accept the Committee's recommendation to establish an annual minimum of \$40,000 in wireless funding for each PSAP. Additional financial assistance is available through the Wireless E-911 PSAP Grant Program. This program was included in the 2006 legislative changes and is funded by the remaining ten percent of the Wireless Fund and any remaining carrier funding.

In order to appropriately analyze the effects of this new funding methodology, it is necessary to review the funding levels for both the carriers and the PSAPs. The total funding received by the carriers for the recovery of costs incurred during FY 2010 was \$3,830,889, which was well within the 30% of the Wireless Fund set aside for this purpose, which was \$13,373,992. Any difference from FY 2009 was transferred into the PSAP Grant Program for FY 2010. The PSAPs received a total of \$26,747, 984 through the 60% formula distribution and were allocated another \$15,945,527 from the FY 2010 PSAP Grant funding cycle. This means that in FY 2010 the PSAPs received a total of \$42,694,511. In comparison to FY 2009, when the PSAPs received a total of \$36,275,235 from the 60% formula distribution and the FY 2009 PSAP Grant funding cycle, the overall result is an increase of 18% in available funding to the PSAPs. A list of funding by locality is provided in Appendix A.

Ensuring an appropriate funding level into the future requires sufficient revenue to be generated. Revenue is difficult to project accurately. Even wireless industry experts have had trouble predicting the growth rate of wireless services. Though current industry subscriber growth rates may result in higher revenue projections, a more conservative estimate of revenue is appropriate, especially in light of the volatility in the telecommunications industry and the economy. Since the actual revenue for FY 2010 was about \$52.8 million, each penny of surcharge generates approximately \$704,000 of revenue annually. It is important to note that there are other draws on the Wireless

FY	PSAP Funding	Wireless Provider Funding
2000	\$4,316,115	\$396,144
2001	\$7,047,639	\$1,862,736
2002	\$13,930,840	\$3,719,132
2003	\$18,861,283	\$5,288,230
2004	\$16,015,454	\$8,361,966
2005	\$20,086,422	\$8,106,850
2006	\$18,680,037	\$5,371,059
2007	\$25,443,756	\$5,019,411
2008	\$30,858,208	\$5,399,847
2009	\$36,275,235	\$5,078,528
2010	\$42,693,511	\$3,830,889
Total	\$234,208,500	\$52,434,792

Figure 6 - Wireless E-911 Funding History

E-911 Fund that reduce the amount of funding available to the PSAPs and wireless service providers. The Division of Public Safety Communications (DPSC) and a portion of the Virginia Geographical Information Network (VGIN) Division are funded through Wireless E-911. Both the DPSC and VGIN programs directly support wireless E-911. Since this funding is contained in the

Appropriation Act, it is subtracted before the distribution of funding based on the formulas, thus evenly reducing the amount of funding across the three funding programs.

In addition to the \$8M transfer from the Wireless Fund to the Compensation Board, the current biennial budget also includes a \$3.7 million appropriation to the State Police for wireless 9-1-1 call taking. Just like the \$8M transfer, this appropriation reduces the amount of funding available to the PSAPs and wireless service providers. This appropriation was originally established to provide funding to transfer wireless 9-1-1 calls from the State Police dispatch centers to the local PSAPs. However, all localities in the Commonwealth are currently accepting wireless calls and no longer rely on the State Police to transfer wireless 9-1-1 calls to them. Thus, justification for the State Police receiving Wireless E-911 funding no longer exist. Additionally, federal legislation was signed into law on December 23, 2004 that requires states, who apply for federal E-911 grant funding (or the PSAPs within the states), to certify that no E-911 funding was diverted to other areas. A state that has diverted funding shall be ineligible for federal funding for 18 months after the diversion. On August 13, 2010, the FCC submitted its annual Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges. In this report, the FCC listed the \$8M transfer from the Wireless Fund to the Compensation Board as a diversion from the purposes designated in the funding mechanism, although the report did go on to say that the purpose was to support Sheriffs' dispatchers. This statement will have a direct impact on the Commonwealth's ability to receive federal E-911 grant funding in the future and may jeopardize current federal E-911 grant funding.

Wireless Funding Process

The Wireless E-911 Services Board began providing funding to PSAPs and wireless service providers in FY 2000. Since FY 2000, the Board has approved the distribution of over \$234.2 million to localities and over \$52.4 million to the carriers. The amount of funding increased each year as more localities moved to implement the service and more deployments occurred (Figure 6). However, in the most recent fiscal years, the amount of funding has stabilized. As the costs have become more stable, the PSAPs have begun receiving a more constant funding level, which is primarily comprised of personnel funding. As a result, in FY 2006, the Board recommended a legislative change to implement its current formula-based funding process for the PSAPs. This not only made the costs to the Board more predictable, but also reduced much of the bureaucratic paperwork required under the previous funding process. These changes were codified with the passage of Senate Bill 395 during the 2006 General Assembly session.

This current approach to funding splits the Wireless E-911 Fund into three parts. The first part is a sixty percent allocation to be distributed to the localities for PSAP operations. The distribution formula for this portion of the funding is based on the percentage of the PSAPs costs and call load to the total throughout the Commonwealth. To ensure that the smallest PSAPs in Virginia get a fair share of the funding, the Board established an annual minimum funding level of \$40,000 for each PSAP, which will become effective in October 2010, with the next recalculation of the percentages for the distribution formula. Funding from the 60% allocation is distributed to the PSAPs each month based on the wireless E-911 surcharge revenue collected in the previous month. The sixty percent allocation represents an overall increase of funding to the PSAPs since historically they have received approximately 46% of the fund for recurring costs. However, while this funding replaces the funding provided for recurring costs of wireless E-911, it may not cover the non-recurring costs such as equipment replacement. The projected increase in funding (the difference between 46% and 60%) will likely address these non-recurring costs (over the life cycle of the

equipment) in larger localities, it will not in many smaller localities. As a result, the Board also recommended the creation of the second partition of the Wireless E-911 Fund, the Wireless E-911 PSAP Grant Program.

The Wireless E-911 PSAP Grant Program utilizes a 10% allocation of the Wireless E-911 Fund and is intended to assist the localities with the most need. While the legislation provides the Board with great latitude in the adoption of grant guidelines, the grant focus will be on equipment upgrades and ensuring continuity of the wireless E-911 service into the future. The Board formed a grant committee to develop grant guidelines as soon as the legislation was approved to ensure that funding would be available to the localities as quickly as possible. Logistically, the Board was not able to implement the full grant process until the FY 2008 funding cycle, but the Board accepted emergency grant requests in FY 2007 to ensure that no locality would lose funding during the transition from the old process to the new.

In addition to the 10% allocation of the Wireless E-911 Fund, the grant program will also receive the remaining funding from the final part of the Fund, CMRS Cost Recovery. Wireless service providers can seek cost recovery for direct and reasonable costs for the deployment and operation of the wireless E-911 network. Since 60% of the Wireless E-911 Fund is distributed to the localities and 10% is allocated for PSAP grants, 30% remains for this part of the Fund allocation. Any funding remaining in this part of the Fund at the end of the fiscal year will be transferred to the grant program. Any funding remaining in the grant program at the end of the fiscal year will be distributed to the localities in the same manner as the 60% part of the Fund; however, the Board may retain any or the entire amount if a specific need is identified in the next fiscal year.

The grant guidelines for the FY 2009 funding cycle, which were approved by the Board on May 24, 2007, were structured to have two categories for funding. The first category, termed Continuity and Consolidation Grants, focused on maintaining the current services provided by the PSAPs. Continuity and Consolidation grants receive at least 80% of the funding available in the grant program. Up to 20% of the available grant funding is utilized for Enhancement Grants, which are the second category of grants, and focus primarily on expanding services by looking toward the future of E-911 and helping PSAPs prepare for it. The FY 2009 guidelines and subsequent grant awards firmly established the initial scope of the PSAP Grant Program, with the submission of 102 separate projects that included 9-1-1 equipment, personnel projects, GIS, Next Generation 9-1-1, CAD, radio consoles, fixed and transportable back-up capability for PSAP operations, microwave links, and oblique aerial imagery. Projects in these same categories were also submitted as grant applications in the FY 2010 funding cycle; however, the success of the program in providing critical 9-1-1 equipment and services to the PSAPs can be demonstrated through the aggregated results of two funding categories. The primary piece of equipment for a PSAP is its Customer Premise Equipment (CPE), which receives and displays information related to a 9-1-1 call. The functionality of this equipment is enhanced through a Computer Aided Dispatch (CAD) system, which acts as a data repository for 9-1-1 call history and response management. Looking at the aggregated grant awards for FY 2008, 2009, and 2010 for CPE and CAD, about 70% of the PSAPs have received funding to support the most critical 9-1-1 equipment and services (Figure 7).

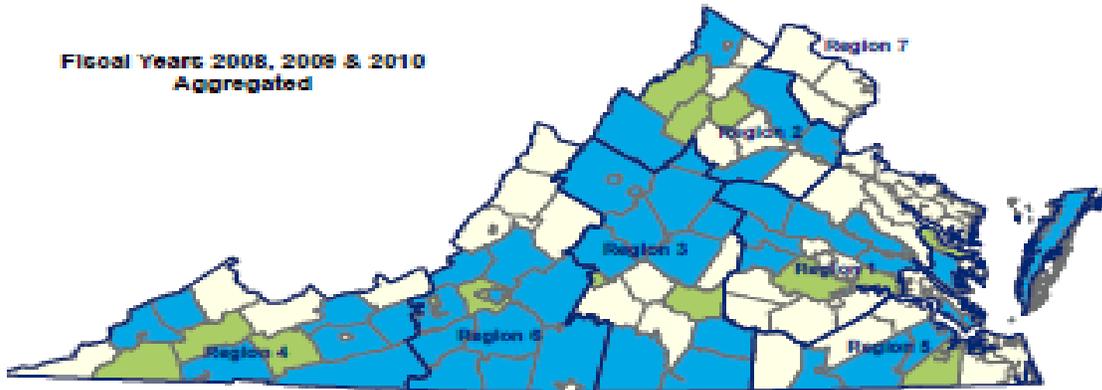


Figure 7 Aggregated CPE and CAD Awards



In FY 2010, the guidelines for the PSAP Grant Program were expanded in scope, focusing on building greater efficiencies by increasing the amount of the grant awards for regional initiatives and PSAP consolidation projects. This was accomplished by raising the funding thresholds for regional initiatives and consolidation projects to \$775,000 and \$800,000 respectively. As a result, there was a 71% increase in the amount of grant awards from FY 2009 (\$9,326,004) to FY 2010 (\$15,945,527). Efficiency for regional initiatives and consolidations is achieved when funding enables groups of PSAPs, rather than individual PSAPs, to take advantage of the economies of scale inherent in multi-jurisdictional projects. Some of the projects that received funding in the latest round of grant awards include a data replication project for six localities in Southwest Virginia, a PSAP consolidation project for three Tidewater area PSAPs, and a northern Virginia CAD interoperability project that brings together five PSAPs. And finally, efforts to promote NG9-1-1 technology pilots through the PSAP Grant Program received a boost from a \$1M matching grant from the ENHANCE 911 Grant Program, offered through the National Highway Traffic Safety Administration, and awarded on September 25, 2009. It still has not been determined if the FCC's report that identifies the transfer of \$8M from the Wireless Fund to the Compensation Board as a diversion will impact the Commonwealth's ability to retain the grant.

Conclusion

The Wireless E-911 Services Board continues to be effective in their role of promoting and assisting with the deployment of enhanced 9-1-1 services throughout the Commonwealth. As a result, Virginia continues to be a nationally recognized leader in E-911. The next role for the Board will be to help PSAPs transition to NG9-1-1. Planning for this transition began in FY 2010 with the completion of a comprehensive inventory of all assets, resources, services and capabilities of primary wireless PSAPs in the Commonwealth. Leveraging efficiencies will be the key transitioning factor for NG9-1-1. To this end, three legislative changes are being proposed for

wireless E-911 for the 2010 General Assembly session. These changes are as follows: extend the data collection period for the wireless funding distribution percentages to 36 months; move the payment recalculation effective date to coincide with the beginning of the fiscal year; and, at the request of the PSAP community, include payment of the wireless 9-1-1 services billing agreements as part of the Appropriations Act.

The implementation of statewide wireline enhanced 9-1-1 has progressed with only one (1) locality remaining. The most significant barrier in the completion of this locality's wireline project has been the need to replace the addressing vendor since the original vendor was unable to complete the contract. The locality has selected another vendor and is scheduled to complete its wireline project by the end of fiscal year 2011.

The implementation of wireless enhanced 9-1-1 is also nearing completion. To date, one hundred twenty-nine (129) localities have implemented wireless E-911 Phase I (call back number and cell site location). Only one deployment in one locality remains. More than 99% of all wireless telephone service subscribers now have Phase II service, which provides the longitude and latitude of the caller. Though a few subscribers still need to upgrade their telephone handsets to take advantage of the Phase II service, the infrastructure is in place at the PSAP and within the wireless network to process the call.

The Appropriations Act for the current biennium budget continues the transfer of \$3.7 million to the Virginia State Police. Also included in this budget is a \$8M transfer from the Wireless E-911 Fund to the Compensation Board to support Sheriffs' dispatchers. The \$3.7M transfer has been cited in previous Reports as a threat to the Commonwealth and its localities to receive future federal grants for E-911. However, it was the \$8M transfer to the Compensation Board that the FCC recently reported as a diversion. This action will directly impact the Commonwealth's ability to receive federal E-911 grant funding in the future and may jeopardize current federal E-911 grant funding.

The Commonwealth of Virginia has positioned itself well for the new and coming challenges to the E-911 system. The successful partnership between the Board, PSAPs and telecommunications industry established during the wireless E-911 program are being leveraged to support the future of E-911. The initial scope of the PSAP Grant Program has been established by funding projects that have included 9-1-1 equipment, personnel projects, GIS, Next Generation 9-1-1, CAD, radio consoles, fixed and transportable back-up capability for PSAP operations, microwave links, and oblique aerial imagery. In FY 2010, this scope was expanded, focusing on building greater efficiencies by increasing the amount of the grant awards for regional initiatives and PSAP consolidation projects. It will take the hard work and dedication of all involved to prepare for these future challenges. Some of which, like Voice over Internet Protocol (VoIP), are already before us.

Additionally, the Board continues to work on planning for the future of E-911 and is in the process of completing a refresh to the Statewide Comprehensive Plan for 9-1-1 that was approved in January 2008 <http://www.vita.virginia.gov/isp/default.aspx?id=8486>. As the tasks and deliverables that were identified as supporting the original Plan's initiatives near completion, the Board needs to revalidate the Plan's current vision, goals, and initiatives for relevancy. The Virginia chapters of the Association of Public Safety Communication Officers (APCO) and the National Emergency Number Association (NENA) have stepped forward to partner with the Board in this effort.

Appendix A – PSAP Funding Detail

PSAP	FY 2007 Total	FY 2008 Total	FY 2009 Total	FY 2010 Total
Alexandria Police Communications	\$476,907.60	\$515,627.31	\$544,713.62	\$621,412.96
Alleghany County	\$47,206.24	\$47,133.80	\$44,024.83	\$36,964.21
Amelia County	\$45,052.19	\$40,362.41	\$38,012.41	\$37,336.65
Amherst County Emergency Communications	\$45,053.00	\$41,450.54	\$50,669.45	\$60,876.43
Appomattox County	\$43,556.61	\$39,838.51	\$40,688.58	\$47,012.72
Arlington County PSCC	\$568,267.32	\$830,447.19	\$772,632.14	\$1,024,052.32
Augusta County	\$120,900.48	\$126,624.52	\$142,067.50	\$139,617.87
Bath County	\$43,556.61	\$43,088.48	\$39,393.52	\$37,541.37
Bedford Communications Center	\$82,901.88	\$79,313.22	\$83,919.13	\$89,625.51
Blacksburg Police Communications	\$59,253.06	\$62,850.76	\$57,606.50	\$62,861.24
Bland County	\$49,294.67	\$44,660.23	\$43,631.07	\$42,412.42
Botetourt County GIS-Communications	\$63,433.82	\$60,713.51	\$61,690.24	\$58,628.63
Bristol 9-1-1 Communications	\$94,921.03	\$81,695.93	\$83,961.02	\$75,684.16
Brunswick County	\$99,360.42	\$126,542.41	\$129,696.97	\$96,258.65
Buchanan County	\$43,556.61	\$39,838.51	\$38,738.99	\$34,693.96
Buckingham County	\$45,675.92	\$45,817.84	\$44,705.06	\$44,684.30
Campbell County	\$282,392.73	\$252,691.64	\$265,402.97	\$284,551.69
Caroline County	\$96,053.69	\$97,721.96	\$99,933.95	\$89,536.15
Charles City County	\$45,978.14	\$44,382.81	\$43,700.44	\$35,634.57
Charlotte County	\$44,830.66	\$44,126.94	\$42,411.95	\$38,508.81
Charlottesville, UVA, Albemarle County ECC	\$551,704.22	\$557,064.42	\$586,644.78	\$555,348.84
Chesapeake Police Communications	\$1,055,316.19	\$1,309,264.24	\$1,434,751.37	\$1,391,854.77
Chesterfield County ECC	\$706,974.50	\$739,023.31	\$845,274.94	\$895,878.81
Chincoteague	\$0	\$28,541.69	\$41,839.48	\$35,971.57
Christiansburg Police Communications	\$45,432.50	\$43,928.62	\$41,732.31	\$39,122.42
Clarke County 9-1-1	\$44,968.02	\$39,919.94	\$38,329.15	\$36,647.72
Colonial Heights 9-1-1 Communications	\$142,975.21	\$127,723.31	\$90,893.28	\$78,646.14
Covington 9-1-1 Communications	\$43,766.83	\$40,605.61	\$39,176.34	\$42,709.71
Craig County	\$46,002.02	\$43,239.43	\$40,280.23	\$35,390.00
Culpeper Joint 9-1-1 Center	\$60,543.19	\$72,346.80	\$74,334.12	\$83,903.79
Cumberland County	\$55,942.28	\$44,008.20	\$53,035.99	\$50,856.79
Danville Emergency Services	\$95,920.21	\$119,270.42	\$139,074.19	\$130,090.01
Dickenson County	\$56,534.42	\$85,405.59	\$56,853.20	\$39,792.43
Dinwiddie County	\$44,830.66	\$46,479.22	\$46,482.01	\$56,867.08

Eastern Shore 9-1-1	\$93,419.59	\$119,299.63	\$124,729.62	\$114,715.99
Emporia Police Communications	\$46,160.54	\$62,264.13	\$45,965.39	\$38,757.68
Essex County	\$44,830.66	\$39,838.51	\$37,908.06	\$33,993.04
Fairfax County PSCC	\$3,950,351.28	\$4,184,438.88	\$4,795,982.12	\$4,467,006.78
Farmville Police Communications	\$53,454.12	\$106,725.44	\$140,637.30	\$96,095.14
Floyd County	\$59,670.96	\$44,883.26	\$65,539.23	\$89,968.54
Fluvanna County	\$55,076.84	\$54,586.72	\$81,201.07	\$69,683.20
Franklin County	\$64,964.87	\$52,543.56	\$49,512.71	\$55,145.64
Franklin Police Communications	\$46,152.15	\$44,178.41	\$43,214.08	\$51,128.30
Frederick County PSCC	\$50,975.58	\$50,883.18	\$61,530.15	\$62,929.37
Fredericksburg Police Communications	\$241,737.56	\$205,164.03	\$198,683.53	\$164,072.90
Giles County	\$44,628.84	\$39,978.16	\$37,722.61	\$33,683.12
Gloucester County	\$45,418.78	\$39,838.51	\$42,341.16	\$44,398.61
Goochland County	\$44,830.66	\$44,861.22	\$43,902.60	\$39,064.28
Greene County	\$66,820.57	\$46,124.97	\$40,372.75	\$34,573.70
Greensville Sheriff's Communications	\$44,830.66	\$39,838.51	\$37,670.96	\$33,683.12
Halifax County	\$71,283.56	\$101,810.19	\$79,698.27	\$63,337.29
Hampton Police Communications	\$495,101.25	\$420,970.89	\$407,089.81	\$428,416.17
Hanover County ECC	\$353,896.73	\$342,804.33	\$347,490.20	\$286,447.98
Harrisonburg - Rockingham ECC	\$183,825.52	\$217,619.30	\$240,086.25	\$247,155.63
Henrico County	\$934,415.70	\$930,591.56	\$1,138,933.32	\$1,167,381.75
Highland County	\$43,556.61	\$39,838.51	\$40,087.82	\$37,919.60
Hopewell Police Communications	\$47,188.13	\$45,412.76	\$46,241.09	\$42,338.22
Isle of Wight Sheriff's Office	\$53,851.60	\$124,187.22	\$100,902.99	\$85,757.82
James City County ECC	\$117,230.53	\$134,387.05	\$164,921.85	\$180,392.04
King & Queen County	\$47,441.69	\$40,880.09	\$38,366.46	\$34,501.38
King George County	\$62,494.18	\$108,036.85	\$95,159.96	\$80,700.48
King William County	\$48,106.60	\$44,370.65	\$42,350.55	\$38,174.84
Lancaster County	\$47,052.91	\$41,925.73	\$39,650.81	\$35,873.48
Lee County	\$43,891.55	\$40,003.61	\$37,748.07	\$34,333.17
Loudoun County Fire Communications	\$419,940.46	\$454,318.30	\$638,297.74	\$656,772.21
Louisa County Sheriff's Office	\$49,232.36	\$45,744.07	\$52,946.48	\$51,437.86
Lunenburg County	\$60,228.81	\$47,607.65	\$47,229.80	\$43,780.19
Lynchburg ECC	\$251,483.64	\$238,581.64	\$278,146.74	\$283,013.44
Madison County	\$44,830.66	\$43,698.65	\$41,237.31	\$39,008.24
Martinsville - Henry County 9-1-1	\$145,001.20	\$136,699.13	\$144,266.69	\$138,379.84
Mathews County	\$44,830.66	\$39,838.51	\$37,670.96	\$36,118.16
Mecklenburg County	\$92,066.00	\$101,627.79	\$98,557.48	\$107,691.45
Middlesex County	\$44,895.56	\$41,607.65	\$40,018.29	\$40,911.91

Montgomery County	\$47,517.60	\$43,621.87	\$42,652.84	\$39,303.98
Nelson County	\$44,576.46	\$42,277.51	\$40,988.66	\$38,822.66
New Kent County	\$45,601.84	\$41,020.23	\$39,918.91	\$35,910.95
Newport News Police Communications	\$569,505.27	\$571,027.25	\$708,725.38	\$736,496.03
Norfolk Emergency Services	\$1,427,354.36	\$1,324,923.45	\$1,225,150.06	\$1,285,193.74
Northumberland County	\$45,083.76	\$42,202.05	\$38,545.15	\$34,527.88
Norton 9-1-1 Communications	\$44,993.47	\$40,024.30	\$39,341.33	\$37,021.31
Nottoway County	\$48,665.30	\$41,958.08	\$44,042.08	\$41,735.50
Orange County Communications	\$97,301.10	\$88,565.63	\$101,223.01	\$95,419.47
Page County EOC	\$79,914.48	\$99,855.96	\$82,111.11	\$69,464.30
Patrick County	\$54,895.10	\$45,208.48	\$40,456.52	\$36,803.24
Petersburg Police Communications	\$223,855.12	\$280,997.85	\$282,343.31	\$359,092.30
Pittsylvania County Emergency Management	\$44,606.10	\$45,472.30	\$54,496.28	\$60,102.40
Poquoson Police Communications	\$51,735.08	\$48,465.87	\$12,938.10	
Portsmouth Police Communications	\$375,022.96	\$533,622.36	\$539,048.60	\$1,198,919.45
Powhatan County Emergency Services	\$62,585.53	\$56,897.08	\$52,980.13	\$44,929.40
Prince George County	\$48,738.11	\$92,931.09	\$122,397.40	\$139,550.04
Prince William County PSCC	\$860,033.90	\$828,702.88	\$884,133.19	\$855,273.52
Pulaski County	\$47,261.14	\$44,795.52	\$44,502.80	\$40,462.07
Radford Police Communications	\$44,528.73	\$43,537.49	\$42,705.49	\$38,855.75
Rappahannock County	\$47,660.17	\$40,120.06	\$39,631.04	\$35,727.99
Richmond County	\$45,788.34	\$43,198.41	\$41,787.57	\$37,730.72
Richmond Police Communications	\$941,660.39	\$1,064,693.59	\$903,518.63	\$689,281.88
Roanoke Communications Dept.	\$510,511.97	\$498,472.21	\$630,817.53	\$650,778.56
Roanoke County Police Communications	\$225,552.64	\$209,701.85	\$213,647.12	\$237,439.98
Rockbridge Regional PSCC	\$94,209.39	\$111,413.29	\$98,958.04	\$99,539.94
Russell County	\$49,988.76	\$44,104.59	\$39,540.07	\$35,858.55
Salem Police Communications	\$98,781.84	\$99,394.92	\$135,964.65	\$105,189.06
Scott County	\$45,809.60	\$43,511.28	\$45,088.82	\$43,184.14
Shenandoah County Emergency Communications	\$107,206.68	\$106,030.00	\$113,689.23	\$91,621.52
Smyth County 9-1-1	\$50,274.27	\$41,536.86	\$38,771.78	\$34,640.15
Southampton County	\$49,312.77	\$44,868.12	\$43,537.07	\$35,947.84
Spotsylvania County Emergency Communications Dept.	\$126,615.58	\$165,226.48	\$180,934.81	\$174,217.34
Stafford County Sheriff's Communications	\$228,894.68	\$262,421.68	\$295,777.20	\$227,472.27
Staunton 9-1-1	\$82,090.76	\$77,542.62	\$72,678.65	\$62,217.30

Communications				
Suffolk Police Communications	\$184,230.67	\$204,923.50	\$247,055.40	\$220,028.21
Surry County	\$46,271.84	\$41,008.81	\$54,894.24	\$60,004.90
Sussex County	\$48,736.12	\$41,535.17	\$44,519.31	\$41,689.39
Tazewell County	\$44,648.66	\$39,970.84	\$52,550.48	\$59,329.01
Twin County E-911	\$100,115.70	\$78,718.87	\$84,202.47	\$86,805.56
Vinton 9-1-1 Communications	\$46,248.59	\$44,669.73	\$67,887.16	\$110,042.88
Virginia Beach Communications Division	\$1,303,591.17	\$1,836,375.83	\$1,951,500.47	\$1,607,833.41
Warren County	\$49,910.23	\$49,291.88	\$45,582.45	\$38,730.01
Warrenton - Fauquier Joint Communications Center	\$95,325.36	\$92,341.48	\$98,074.47	\$99,868.27
Washington County	\$51,518.94	\$43,486.05	\$40,519.66	\$46,218.57
Waynesboro 9-1-1 Communications	\$106,389.87	\$109,149.49	\$121,968.95	\$123,595.48
West Point 9-1-1 Communications	\$44,830.66	\$39,838.51	\$37,670.96	\$33,894.31
Westmoreland County	\$53,205.31	\$44,475.74	\$43,065.93	\$39,409.89
Williamsburg Public Safety Communications Center	\$44,830.66	\$40,378.52	\$88,143.51	\$25,331.30
Winchester Fire/Rescue Communications	\$44,864.51	\$43,394.59	\$47,449.10	\$49,042.05
Wise County	\$60,216.65	\$67,930.22	\$47,062.52	\$37,721.84
Wythe County	\$50,667.96	\$43,819.45	\$41,012.31	\$37,375.22
Wytheville Public Safety E-911	\$48,947.03	\$42,236.43	\$39,739.72	\$35,708.13
York County Fire Communications	\$174,800.76	\$201,638.47	\$222,975.28	\$226,907.29
	\$23,571,716.43	\$25,233,285.39	\$26,949,230.92	\$26,747,984.21



**BILLING AGREEMENT BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
VERIZON VIRGINIA, INC.
AND
VERIZON SOUTH, INC. (“VERIZON”)**

1. PARTIES AND SCOPE OF AGREEMENT

This is an Agreement (the “Agreement”) between the **Commonwealth of Virginia, Wireless E-911 Services Board** (the “Commonwealth” or the “Board”), having its principal place of business address at 11751 Meadowville Lane, Chesterfield, VA 23219, and **Verizon Virginia, Inc. and Verizon South, Inc.** (each hereinafter referred to severally as the “Contractor” or “Verizon”), Virginia corporations having their principal place of business at 703 East Grace Street, Richmond, Virginia 23219, for the payment for wireless E-911 services, as described in Exhibit A hereto, on behalf of local Counties and Municipalities which serve as Public Safety Answering Points (“PSAPs”) (the “Services”).

The Contractors provide the Services to certain PSAPs. The Contractors acknowledge that the Board is acting only as a billing agent for the convenience of the Contractors and the PSAPs and that this agreement is not a purchase or service agreement. Any payment made by the Board is made on behalf of the PSAPs. Nothing in this Agreement is intended to or shall be construed as imposing any obligations on the PSAPs or affecting the rights of the PSAPs. Verizon has notified Board staff that Verizon intends to file a tariff in order to establish terms and conditions under which Verizon will sell the Service to the PSAPs. Verizon has also notified Board staff that Verizon intends that the tariff be effective by September 30, 2010. Verizon has indicated that it intends that the tariff price to be applied to any PSAPs not covered under this Agreement would be higher.

PSAPs participating in this Agreement shall be referred to as Ordering Agency and/ or Customer. The Board’s obligation to pay for the Services is subject to the PSAPs opting in to this agreement and subject to availability and appropriation of funds under Section 16 of this Agreement. Verizon Virginia Inc. and Verizon South Inc. do not assume joint and several liability for one another’s actions and performance, but each shall be liable for their own performance within their respective certified PSAP service area.

The Board is the approving authority for expenditures from the Virginia Wireless E-911 Fund, and is empowered to provide grant funds to, or on behalf of, PSAPs for the benefit of wireless E-911, as provided in Va. Code § 56-484.17(C). The Board has provided an opportunity for PSAPs to apply for grant funds for the payment of Services. Certain PSAPs have applied for and

been awarded grant funds to pay for the Services that they will receive from Verizon for FY2011, which is the period from July 1, 2010 and June 30, 2011. In subsequent years of this agreement, the Board may utilize other funding methods permissible within the *Code of Virginia*, if requested to do so by the PSAPs. Regardless of the methodology employed, the Board may make payment on behalf of the PSAPs only if the PSAPs have applied to the Board and been approved for such payment.

In order to eliminate the administrative steps involved in billing and receiving payment from individual PSAPs, along with the steps involved in the Board's reimbursing individual PSAPs, it is the parties' desire to enter into an agreement whereby each Contractor may submit one bill to Board on behalf of PSAPs which receive Services from that Contractor, and which have requested and received approval for the use of wireless E-911 funds for such purpose. At the request of the PSAP, the Board will pay for the Services with proceeds from the Wireless E-911 Fund that have been awarded to PSAPs for such payment. Each Contractor agrees to the Board's direct payment on behalf of the Ordering Agencies.

2. BILLED PARTY; ORDERING AGENCIES

A. **Billed Party.** The Board, on behalf of the Ordering Agencies, shall be the billed party for the Services ordered by said Ordering Agencies. On behalf of the Ordering Agencies, the Board shall make payment of all invoices in accordance with the provisions of Section 25 of this Agreement.

B. **Ordering Agencies.** The Board hereby authorizes each PSAP that has both requested the Board to pay for Services on their behalf and been awarded wireless E-911 funds to pay for services to act as an Ordering Agency for this Agreement. Ordering Agencies which are governed by this Agreement, and the quantity of services ordered by each, are listed in Exhibit B. The Commonwealth may adjust the Ordering Agencies listed in Exhibit B within 15 days of the execution of this agreement without penalty. In the event the Commonwealth notifies Verizon that one or more PSAPs should be deleted from the list of Ordering Agencies in Exhibit B, Exhibit B shall be amended to reflect such change, and charges due under this agreement shall be reduced by the costs attributable to such PSAPs.

The authority of an Ordering Agency is limited to ordering the Services, by written request which references this Agreement, and does not include the ability to add any additional Services not included on Exhibit A or to change or modify any prices, terms and conditions agreed upon by the parties hereto. The contractor reserves the right to refuse Services to Ordering Agencies outside of the Contractor's service area. All changes to this Agreement must be incorporated in a formal modification to this Agreement by the parties identified in paragraph entitled "Modifications" of this Agreement.

3. ENTIRE AGREEMENT

This Agreement, comprised of these terms and conditions and Exhibits A and B attached hereto, constitutes the entire agreement between Verizon and the Commonwealth with respect to the subject matter of this Agreement. All prior agreements, representations, statements, negotiations and undertakings between Verizon and the Commonwealth are hereby superseded with respect to

these Services, provided, however, that Contractor will file a tariff with the State Corporation Commission, which will apply to Verizon's provision of Services to PSAPs under this Agreement. This Agreement is voidable at Verizon's discretion if the contemplated tariff is not filed and effective by September 30, 2010. The Board agrees that within thirty (30) days of the effectiveness of any such tariffs, it shall provide written notice to all Ordering Agencies who have opted into this Agreement of the filing and effectiveness of such tariffs.

4. APPLICABLE LAWS AND COURTS

This Agreement shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. Verizon shall comply with all applicable federal, state and local laws, rules and regulations.

5. NOTICES

Notices required by this Agreement must be in writing and sent to:

<u>Verizon:</u>	<u>Commonwealth</u>
Verizon Contract Repository	Wireless E-911 Services Board
700 Hidden Ridges	c/o VITA
MC: HQW02L25	11751 Meadowville Lane
Irving, TX 75038	Chesterfield, VA 23219

Names and addresses for notices may be changed by notice sent in accordance with this paragraph. Notices delivered by hand shall be effective upon delivery. Notices which are not hand-delivered shall be sent by certified mail, return receipt requested, and shall be effective on the date noted on the return receipt.

6. ANTI-DISCRIMINATION

The Contractor certifies to the Commonwealth that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, the Americans with Disabilities Act and section 2.2-4311 of the Virginia Public Procurement Act.

A. During the performance of this Contract, the Contractor agrees as follows:

- 1) The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment notices setting forth the provisions of this nondiscrimination clause.

- 2) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
 - 3) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
- B. The Contractor will include the provisions of A. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

7. IMMIGRATION REFORM AND CONTROL ACT OF 1986

The Contractor certifies that it does not and will not during the performance of this Agreement employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

8. ETHICS IN PUBLIC CONTRACTING

The Contractor certifies that this Agreement is made without collusion, or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor in connection with this Agreement, and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

9. TAXES

Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, and can be obtained online at <http://www.tax.virginia.gov/>. Deliveries against this Agreement shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

10. NONDISCRIMINATION OF CONTRACTORS

A Contractor shall not be discriminated against in the award of this Agreement because of race, religion, color, sex, national origin, age, or disability or due to its status as a faith-based organization.

11. ASSIGNMENT OF CONTRACT

To the fullest extent permitted by law, the parties agree that Contractor's rights under this Agreement shall not be assignable, in whole or in part to any other party without the Commonwealth's written consent, which shall not be unreasonably withheld, and that any purported assignment or transfer without such consent shall be null and void, provided

Contractor may assign or transfer its rights and obligations under this Agreement, upon written notice to the Commonwealth, to any affiliated Verizon entity that is wholly owned by the parent Verizon Communications Inc.

To the extent applicable law limits the rights of the parties to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be determined in accordance with applicable law. In such cases, the Contractor shall give the Board prompt written notice of the assignment, signed by authorized representatives of both the Contractor and the assignee.

In the event the Commonwealth receives any notice from a third party claiming to be an assignee of any rights of the Contractor under this Agreement, Contractor agrees that payment or other performance in respect of those rights shall not be due until at least thirty days after the Commonwealth's receipt of the notice required by the above paragraph or receipt of a similarly executed notice confirming the absence or revocation of the purported assignment. The Board shall promptly notify the Contractor of any assignment notice it receives.

12. FORCE MAJEURE

Contractor shall not be liable to the Commonwealth for delays, losses, damages, or any other consequences of acts, omissions, events or failures in performance due to causes beyond Verizon's reasonable control, including, but not limited to, acts of governmental body or third parties, acts of God, fires, floods, civil disturbances, war, terrorism, riots, insurrections, strikes, other labor-related disputed, or its inability to obtain the necessary equipment or services.

13. TERMINATION

Either party may terminate this Agreement by written notice in the event the other party (i) materially breaches this Agreement and (a) fails to cure such breach within thirty (30) days following written notice thereof, or (b) if such breach cannot reasonably be cured during that time, uses its best commercially reasonable efforts to cure such breach as soon as practicable but in any event within ninety (90) days following written notice of the breach; (ii) engages in fraud, criminal conduct or willful misconduct in connection with the business relationship of the parties; or (iii) Contractor's tariff, filed in a manner consistent with its other tariffs effective in the Commonwealth of Virginia, is not filed and effective by September 30, 2010. Further, the Board may terminate this Agreement immediately by written notice in the event Verizon becomes insolvent, ceases doing business in the ordinary course, enters bankruptcy proceedings or effects an assignment for the benefit of creditors. In the event either party terminates this Agreement pursuant to this Section 13, Commonwealth shall be liable to Contractor only for those Services provided through the date of termination subject to the availability of funds.

14. INSURANCE

Verizon certifies that it will have the following insurance coverage's at the time the Agreement becomes effective. Verizon further certifies that it and any subcontractors will maintain these insurance coverage's during the entire term of the Agreement and that all insurance coverage's will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

- a. Worker's Compensation – Statutory requirements and benefits.
- b. Employers Liability - \$100,000.
- c. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
- d. Automobile Liability - \$1,000,000 per occurrence.

15. DRUG-FREE WORKPLACE

During the performance of this Agreement, Verizon agrees to (i) provide a drug-free workplace for its employees; (ii) post in conspicuous places, available to employees and applicants for employment a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in its workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of Verizon that it maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, “drug-free workplace” means a site for the performance of work done in connection with a specific Contract awarded to Verizon, the employees of who are prohibited from engaging in the unlawful manufacture, sale, distribution, possession or use of any controlled substance or marijuana during the performance of the Agreement.

16. NON-AVAILABILITY AND NON-APPROPRIATION OF FUNDS

The Services are funded by the Commonwealth from proceeds of the “Wireless E-911 Fund” established pursuant to Virginia Code Sec. 56-484.17. The Commonwealth’s obligation to pay for the Services is subject to all funds for payment of goods or Services ordered under this Agreement having been legislatively appropriated and legally available for this purpose and having been awarded to PSAPs as wireless E-911 funds. In the event of non-availability or non-appropriation of funds by the Legislature for the Services under this Agreement or in the event funds from the Wireless E-911 Fund have not been awarded to PSAPs to pay for the Services, the Commonwealth may terminate this Agreement for those Services for which funds are not available, not been appropriated or not been awarded. Written notice will be provided to Verizon as soon as possible after legislative action is completed but in any event no later than 90 days before the start of the next contract year. Commonwealth shall be liable to Contractor for those Services provided through the date of termination and for which funds from the Wireless E-911 Fund have been awarded to the PSAP to pay for the Services.

If the Wireless E-911 Fund is insufficient to make any payment required under this Agreement, Verizon intends to bill the appropriate Ordering Agency or Agencies in accordance with the applicable Contractor's Tariff.

17. CONTRACTUAL RECORDS

Verizon shall make all books, records, and other documents directly related to this Agreement available to the Commonwealth and its designated agents for purposes of audit and examination for a period of four years after creation of the book, record, or document. Related records include, but are not limited to, this Agreement and all executed orders, attachments, modifications, invoices, and correspondence between the parties to this Agreement.

18. LIMITATION OF LIABILITIES; INDEMNITY

- A. Except for errors and omissions caused by gross negligence, willful or wanton misconduct, fraudulent conduct or violations of law by Verizon, and, to the extent not caused by acts, omissions or other occurrences attributable to the Commonwealth or any other person or entity, Verizon's entire liability to the Commonwealth for all contractual claims arising under this Agreement is limited to: (A) proven direct damages for claims arising out of personal injury or death, or damage to real or personal property; or (B) proven direct damages for all other claims for which it is legally liable arising out of the Agreement, not to exceed in any 12-month period an amount equal to Commonwealth's total net payments to that Contractor for the affected Services in the 12 months preceding the month in which the non-performance occurred. Verizon's provision of service to an Ordering Agency shall not create nor give to any third party any claim or right of action against the Commonwealth, an Ordering Agency or Verizon.
- B. Under no circumstance shall Verizon be responsible or liable to the Commonwealth for special, indirect, incidental or consequential damages.
- C. Consistent with all the terms and conditions and limitation of liability provisions of Sections 18 A above, Verizon will indemnify the Commonwealth for any damages arising from third party claims that are not excluded or limited by Section 18 A.

19. MODIFICATIONS

This Agreement may be modified in accordance with Section 2.2-4309 of the Code of Virginia. Such modifications may only be made by the representatives noted below. No modification to this Agreement shall be effective unless it is on writing and signed by the duly authorized representative of both parties. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent to breach is in writing.

The only representatives authorized to modify this Agreement on behalf of the Commonwealth and Verizon are shown below.

Verizon:
Attn Suleiman Hessami
VP Pricing & Contracts

Commonwealth
Wireless E-911 Services Board Chairman
c/o VITA CESC

22011 Loudoun County Parkway
Ashburn, VA 20147

11751 Meadowville Lane
Chesterfield, VA 23219

20. CONTRACTUAL DISPUTES

In accordance with Section 2.2-4363 of the Code of Virginia, Agreement claims, whether for money or other relief, shall be submitted in writing to the Chairman of the Board no later than sixty days after final payment at the end of the Agreement; however, written notice of Verizon's intention to file such claim must also be given to the Board within 60 days of the occurrence or beginning of the work upon which the claim is based as required by the Code of Virginia. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The Board shall render a final decision in writing within thirty days after its receipt of Verizon's written claim. The parties acknowledge that Verizon's invoices at the start of the billing period each year will serve as written notice of Verizon's intention to seek payment for all Services rendered during the billing period.

Verizon may not invoke any available administrative procedure under Section 2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the Board's decision on the claim, unless the Board fails to render its decision within thirty days after receipt of Verizon's written claim. The decision of the Board shall be final and conclusive unless Verizon, within six months of the date of the final decision on the claim, invokes appropriate action under Section 2.2-4364, Code of Virginia or the administrative procedure authorized by Section 2.2-4365, Code of Virginia.

21. NO WAIVER

A failure by either party to exercise its rights under this Agreement is not a waiver.

22. ADVERTISING/PUBLICITY

The Parties to this Agreement shall not use the logo or trademarks of the other without prior written consent of the other party.

23. INSTALLATION OF SERVICE

Except for specific limitations expressly stated in this Agreement, Verizon shall be responsible for completing and providing all component items necessary for installation and commencement for each ordered Service, including, without limitation, installation of any necessary access lines and switching/routing, or transport facilities in Verizon's network that are required for the Service to operate in accordance with the Exhibit A contained herein. When additional quantities of the Services are ordered, it is anticipated that Verizon and the Ordering Agency will negotiate a mutually agreed upon estimated target completion date for those Services.

24. INCREASE OR DECREASE OF SERVICES

Any Ordering Agency may, at any time, increase or decrease the quantity of Wireless 911 Trunks to be provided to it hereunder. Any adjustment in charges resulting from such change shall be made under Exhibit A, prospectively at the start of the next year and must be reflected in

the PSAPs request for funding from the Board and awarded to pay for such services. Ordering Agencies may increase or decrease Wireless 911 Trunks through issuance of a written Telecommunications Services Order (TSO) indicating the effective date of the change. No termination charge of any kind shall be incurred as a result of decreasing the quantity of or otherwise terminating any Wireless 911 Trunks paid for hereunder.

25. PAYMENT; BILLING DISPUTES and RECONCILIATIONS

- A. All invoices shall show the state Contract number. All invoices shall be supported by documentation with the federal employer identification number and also sufficient to show the amounts of Services and charges attributable to each Ordering Agency. Verizon shall promptly provide such documentation with issuance of an invoice. Invoices for items ordered, delivered and accepted shall be submitted by Verizon directly to the Board, and shall be based on the charges shown in Exhibit A.

Payment shall be made annually in advance. Payment is due 30 days after invoice or delivery, whichever occurs last. The payment address is as follows: Verizon PO Box 660720, Dallas Texas 75266-0720, Verizon Virginia Federal Employment Identification Number – 54-0167060 and Verizon South Federal Employment Identification Number – 56-0656680.

- B. Any credits which have accrued during the prior year shall be included on the following year's invoice. Within 30 days of the end of the contract term, Verizon shall issue payment to the Board for any credits accrued during the final year of the term.
- C. All Services provided under this Agreement that are to be paid for with public funds shall be billed by Verizon at the Agreement price, regardless of which Ordering Agency submitted the order.
- D. The following shall be deemed to be the date of payment: for purposes of late payment charges; the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- E. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Verizon should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify Verizon, in writing, as to those charges which it considers unreasonable and the basis for the determination. The provisions of this section do not relieve the Board of its prompt payment obligations with respect to those charges that are not in dispute (*Code of Virginia*, Section 2.2-4363).
- F. Payment to Subcontractors. If Verizon engages any subcontractor(s) pursuant to this Agreement, Verizon is hereby obligated:

- (1) To pay the subcontractor(s) within seven (7) days of Verizon's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
- (2) To notify the Board and the subcontractor(s), in writing, of Verizon's intention to withhold payment and the reason.

Verizon is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by Verizon that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

- G. The Commonwealth shall notify Verizon in writing only when the billing and/or invoice information submitted by Verizon is rejected and the reasons therefore. If rejection is not made within 30 days of receipt of the information by the Commonwealth, then the billing and/or invoice information shall be deemed accepted.
- H. The Commonwealth reserves the right in accordance with the paragraph Entitled "Invoice Information", to make corrections to Verizon's invoices which have been paid but are later found to contain errors.
- I. With the goal of starting each new year of the Agreement with no billing disputes and with all past year items reconciled, and in order to meet the Board's obligation to determine the accuracy of its payments in relation to actual costs incurred by the Ordering Agencies, all of Verizon's claims for under billing or adjustments, and all Commonwealth claims for overbilling or other billing reconciliations to the prior year's invoice will utilize the following steps:
 - (a) in the first 90 days after the prior billing period has ended, the parties will make a reasonable effort to identify all reconciliation items from that prior billing period;
 - (b) in the next 180 days the parties obligate themselves to work in good faith to resolve all such items;
 - (c) in the final 90 days of the current billing year all reconciliation items must be resolved or reserved for further action by the parties.
 - (d) If a claim is not made in the first 90 days, it may still be made before the end of the year but the parties do have an obligation to make reasonable efforts to identify all reconciliation items in the first 90-day period under (a) above.

Nothing herein shall waive the requirements of paragraph 20 or Virginia Code 2.2-4363 regarding contractual disputes.

26. INVOICE INFORMATION

No invoice may include any costs other than those identified in this Agreement.

All invoices shall be sent to the following address:

Wireless E-911 Services Board
c/o Virginia Information Technologies Agency
11751 Meadowville Lane
Chesterfield, VA 23219

27. INDEPENDENT CONTRACTOR

Verizon will be legally considered as an independent contractor and neither Verizon nor its employees will, under any circumstances, be considered servants or agent of the Commonwealth.

28. TERM

A. This Agreement shall be effective as of July 1, 2010. The Board agrees to pay for services for up to thirty-six (36) consecutive months with a customer option for two, twelve (12) month extensions, provided that the Ordering Agencies have requested the Board pay for Services on their behalf and been awarded funds from the Wireless E-911 Fund to pay for Services during such period.

The Board is required to pay the entire payment for service on an annual basis beginning July 1 of each year. This payment is not subject to reimbursement if service is discontinued at the request of the Ordering Agency during the 12 month period. Ordering Agencies may, at their sole discretion, discontinue service at any time upon written notification.

B. No later than 90 days prior to each anniversary of this Agreement, the Board shall notify Contractors as to whether the Ordering Agencies will continue to “opt-in” to having the Board pay for the Services under this Agreement for the upcoming contract year. Absent receipt of notice that an Ordering Agency has opted-in to having the Board pay for the Services for the next year of the Contract, Contractors shall deem an Ordering Agency as NOT opting-in and shall follow the procedure set forth at Section 28(C) below. In addition, any such Ordering Agency who has or is deemed to have opted-out shall be precluded from opting back in throughout the remainder of this Agreement.

C. Any Ordering Agency who opts-out or is deemed to have opted-out of the Services paid for under this Contract shall also indicate if it wishes to have the Services terminated. Due to the important nature of the Services for public safety, Contractors shall not terminate the Services unless they receive a written statement from any such Ordering Agency affirmatively requesting termination of the Service but rather will continue to supply the Services at then-applicable Tariff rates, terms and conditions. Should an Ordering Agency opt-out or be deemed to have opted-out of the Services paid for under this Contract, the Commonwealth shall notify the

Ordering Agency that it may be billed for the Services in accordance with the then current Tariff rates. The Commonwealth shall also notify an Ordering Agency that Verizon has indicated that it will not terminate the Services unless the PSAP provides Verizon with a written request to terminate the Services.

29. HEADINGS

Headings are for reference purposes only and shall not be considered in construing this Agreement.

30. COUNTERPARTS

This Agreement shall be executed by each party signing two original copies of the agreement, each party keeping one original.

PERSONS SIGNING THIS AGREEMENT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS AGREEMENT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT.

Commonwealth of Virginia
Wireless E-911 Services Board

By:
Name:
Title:
Date:

Verizon Virginia, Inc.
Verizon South, Inc.

By:
Name:
Title:
Date:

**EXHIBIT “A”
TO
CONTRACT VA-2009-485697**

Service Descriptions

- 1) Verizon will provide Wireless E-911 Services as outlined herein and described in a tariff to be filed and effective no later than September 30, 2010 to the Ordering Agencies where facilities exist. Verizon reserves the right to refuse Services to out-of-region customers. Special Construction charges, if any, are not included in the rates for Services.
- 2) Until such time as the tariff for Wireless E-911 Services is filed and effective, the following service terms at sub-sections 2(a) – (f) (“Pre-Tariff Service Terms”) shall apply to the Wireless E-911 Services received by the Ordering Agencies. Upon the effectiveness of such tariff, however, these Pre-Tariff Service Terms will no longer be effective and shall be superseded by the tariff terms and conditions:
 - a) Verizon will deliver to each Ordering Agency the data as required and specified by the FCC in CC Docket No. 94-102 (“the FCC Docket”). Verizon will deliver to the PSAP the same data as was received from the Wireless Service Provider (“WSP”). Verizon disclaims any and all responsibility for (1) the delivery of any additional data element that the WSP may choose to provide beyond those required and specified in the FCC Docket; (2) the content of the data delivered to the Ordering Agency, and (3) any data that the WSP fails to deliver to Verizon. In addition, Verizon shall not be responsible for the location determination technology, for the accuracy of the location determination technology, or for the investigation or maintenance of those technologies.
 - b) The Ordering Agency must have all required elements of the Phase I Wireless E-911 Service configuration, utilizing ESRK or ESRD routing and cell site/sector location based information, in place before Phase II Wireless E-911 Service configurations can be implemented. In addition, all of the following requirements at Ordering Agency expense must be met prior to Phase II Service configuration implementation:
 - i) The ordering Agency’s ALI software must be upgraded to Verizon’s wireless ALI format to accommodate the X, Y data and the confidence and uncertainty element.
 - ii) The WSP must have a PDE and an MPC in its network. The PDE and MPC equipment is not provided by and is not the responsibility of Verizon, nor is Verizon responsible to ensure the WSP or their agent(s) are prepared to implement Phase II Service configurations.
 - iii) The WSP must have obtained an executed Interconnection Agreement to obtain connection with Verizon to the E-911 Tandem and to Verizon’s ALI database to provide the Phase I and Phase II data. Verizon is not responsible to provide Wireless E-911 Services without an executed Interconnection Agreement.

- iv) The WSP must submit Master Street Address Guide (“MSAG”) – valid ALI records for each ESRK/ESRD in accordance with National Emergency Number Association (“NENA”) Standard 02-010.
- c) *Centralized Automatic Line Identification (“CALI”) Wireless Processing.* Allows for Automatic Location Identification (“ALI”) processing for the following call delivery service configurations: Phase I Call Associated Signaling (“CAS”), Phase I Non-Call Associated Signaling (“NCAS”) and Phase II Wireline Compatibility Mode. The Service includes two system ports per Ordering Agency in the Verizon service area to connect Public Service Answering Points (“PSAPs”) to the ALI Database platform. The Service does not include circuits between the ALI Database platform and a) the PSAP, b) the WSP’s subscriber database, or c) its Mobile Position Center (“MPC”). The WSP’s subscriber database, its Position Determining Entity (“PDE”) and/or its MPC are not provided by or the responsibility of Verizon.
- d) *Dual Selective Routing.* Allows for selective routing of the emergency call to the PSAP based on the Emergency Service routing Key (“ESRK”) or Emergency Service Routing Digits (“ESRD”). It also provides the following enhanced features and capabilities to the PSAP: wireless E-911 trunk concentration; selective, default and alternate routing; call transfer; night transfer; and forced disconnect. Includes ports on the E-911 Tandem to maintain a P.01 grade of service, and to facilitate connection with the PSAP or the WSP’s Mobile Switching Center (“MSC”). Trunks between the E-911 tandem and the PSAP may be purchased under this Agreement at the price listed below.
- e) *Wireless Trunks.* Provides the telecommunications connection between the PSAP and the E-911 Tandem.
- f) If any of the Commonwealth’s Ordering Agencies experience a service outage exceeding 24 hours the Commonwealth on their behalf will receive a credit allowance provided as follows: When, after notice by the Commonwealth to Verizon of an interruption of Service, the service continues to be interrupted, a credit allowance will be given if the interruption continues for at least 24 hours. The allowance is equal to a pro rata adjustment of the fixed monthly trunk charge shown in Exhibit A for the services furnished by Verizon that are rendered useless or substantially impaired due to any cause other than the negligence or willful act of the Commonwealth’s Ordering Agencies or the Commonwealth or the failure of any facilities provided by the Commonwealth or the Ordering Agencies. For purposes of administering this provision, every month is considered to have 30 days.

Rates and Charges

On behalf of PSAPs, who have been awarded funds from the Wireless E-911 Fund to pay for services, the Commonwealth agrees to pay the Contractor the amounts listed below for the Services for the period for which the funds have been awarded to such PSAP. The amounts stated below do not include charges for any other aspect of E-911 services that may be used in connection with the Services paid for pursuant to this Agreement. Payment for Services is charged annually for the prospective twelve month period. If the Wireless Board and/or

Ordering Agency discontinue Services during the twelve month period, payment for such Services is not refundable. Special Construction charges, if any, are not included in the charges for Services.

Service Element:	Total Annual Charges for all Ordering Agencies on Exhibit B
CALI Wireless Processing & Dual Selective Routing (note 1)	\$3,434,712
Wireless Trunks, E911 Tandem to PSAP (note 2)	\$329,940
Total	\$3,764,652

Note 1: This rate reflects the total annual charges that were derived on a locality by locality basis using a formula that involves Verizon access lines plus non-Verizon records and a state-wide average of 50% number of wireless calls received at the PSAPs. It initial count of Verizon access lines plus non-Verizon records and % number of wireless calls shall remain constant throughout the duration of this Agreement. This rate will be adjusted annually to reflect the PSAPs requesting the Board pay on their behalf and awarded funds from the Wireless E-911 Fund for such Service, but cannot exceed this initial rate. Since all PSAPs have requested the Board pay on their behalf and been awarded funds from the Wireless E-911 Fund for the first year of this agreement, the rate can only decrease as PSAPs opt out or are not awarded funding.

Note 2: The monthly recurring charge for each wireless trunk is \$58.75 per trunk as is based on the number of trunks installed in the Commonwealth as of July 1, 2010 and are listed in Exhibit B. These quantities will be adjusted annually to reflect the actual number of wireless trunks in use and may accordingly increase or decrease.

Technology Upgrade:

If, at any time after the completion of twelve (12) months of the Service, Verizon offers to the public a modification, enhancement or improvement to this Service that increases the speed, bandwidth or capacity of this Service (“Upgrade”) and such Upgrade is available in the areas of the Ordering Agencies’ locations, Ordering Agencies may request such Upgrade in replacement of all or a portion of this Service at the Ordering Agencies’ locations without termination liability for the replaced Service, provided that (i) Ordering Agencies subscribe to the Upgrade for a service period at least as long as the Service Period remaining for the replaced Service under this Agreement; (ii) Ordering Agencies subscribe to the Upgrade at the same Ordering Agencies locations as the replaced Service at the rates determined by Verizon and agreed upon by the parties for such Upgrade or at generally available tariffed rates for such Upgrade. The Upgrade shall be provided, and the applicable rates, terms and conditions will take effect, only after mutual agreement of the parties on all such rates, terms and conditions and only after all necessary filings are made with governmental entities and approvals from such entities are obtained. Rates for the Upgrade will apply prospectively only. Should an Ordering Agency/Customer request an upgrade, the Board shall indicate its approval for the use of any existing, awarded funding for such upgrade, but shall not be obligated for any additional cost

resulting from the Upgrade unless otherwise awarded from the Wireless E-911 Fund to pay such costs.

EXHIBIT "B"

LIST OF ORDERING AGENCIES AND QUANTITIES ATTRIBUTABLE TO EACH ORDERING AGENCY

Ordering Agency	# Trunks
Alexandria	12
Amelia	4
Amherst	4
Appomattox	4
Arlington	24
Augusta	4
Bath	4
Bedford	6
Blacksburg	6
Bland	
Botetourt	2
Brunswick	4
Buchanan	4
Buckingham	
Campbell	
Caroline	4
Charles City	4
Charlotte	2
Chesapeake	10
Chesterfield	6
Chincoteague	2
Christiansburg	4
Clarke	4
Clifton Forge	
Colonial Beach	
Colonial Heights	4
Covington	
Culpeper	4
Cumberland	4
Danville	4
Dickenson	4
Dinwiddie	4
Eastern Shore	4
Emporia	4
Essex	4
Fairfax	12
Franklin Co	
City of Franklin	4

Frederick	4
Fredericksburg	6
Fauquier	4
Giles	2
Gloucester	4
Goochland	4
Greensville	4
Halifax	
Hampton	6
Hanover	4
Harrisonburg	8
Henrico	12
Hopewell	4
Isle of Wight	4
James City Co	6
King & Queen	2
King George	4
King William	4
Lancaster	4
Loudoun	10
Louisa	4
Lunenburg	
Lynchburg	6
Madison	4
Manassas Pk.	
Manassas	
Mathews	2
Mecklenburg	4
Middlesex	4
Montgomery	4
Nelson	2
New Kent	4
Newport News	6
Norfolk	12
Northumberland	4
Norton	2
Orange	4
Page	
Petersburg	4
Pittsylvania	2
Portsmouth	4
Poquoson	
Powhatan	4
Prince Edward	
Prince George	4
Prince William	10
Pulaski Co	
Pulaski Town	4
Radford	2
Rappahannock	

Richmond Co	4
Richmond	8
Roanoke City	10
Roanoke Co	6
Rockbridge	
Russell	4
Salem	4
Southampton	4
Spotsylvania	4
Stafford	10
Staunton	4
Suffolk	6
Surry	4
Sussex	4
Tazewell	4
Vinton	
Va. Beach	12
Warren	
West Point	4
Westmoreland	2
Williamsburg	
Winchester	4
Wise	4
York	8
Total	468



Virginia Information Technologies Agency
Fiscal Year Budget vs. Expenses
For the Period Ended: June 30, 2010
Enterprise Governance Directorate
Fund 0928
WIRELESS E911 FUND

Program (Layout): RPT8055

Account	Description	Fiscal Year Budget	Current Month Expenses	YTD Expenses	Percent Spent YTD	Available Balance
E1111	Employer Retirement Contrib	95,658.83	6,654.65	80,582.10		15,076.73
E1112	FICA-Salaried Employees	64,990.31	5,556.51	60,528.95		4,461.36
E1114	Group Insurance	6,711.36	-	4,739.59		1,971.77
E1115	Medical/Hosp Insurance	107,688.00	9,820.91	103,366.36		4,321.64
E1116	Retiree Med/Hosp Ins Credit	8,495.51	445.84	6,430.83		2,064.68
E1117	LT Disability Insurance	8,495.51	445.84	6,445.58		2,049.93
E1128	Salaries - IT Employees	849,546.00	74,552.59	803,804.40		45,741.60
E1129	Overtime - IT Employees	-	-	2,550.37		(2,550.37)
E1138	Deferred Comp Match Payments	2,760.00	183.64	2,389.09		370.91
E1162	Annual Leave Payments	-	-	3,931.20		(3,931.20)
E1100	Personal Services	1,144,345.52	97,659.98	1,074,768.47	93.92%	69,577.05
E1214	Postal Services	300.00	-	132.00		168.00
E1215	Printing Services	4,000.00	-	138.50		3,861.50
E1217	Telecom Svcs - Non State	6,000.00	409.77	5,785.02		214.98
E1221	Organization Memberships	2,500.00	100.00	1,032.00		1,468.00
E1222	Publications and Subscriptions	1,500.00	-	844.00		656.00
E1224	Employee Training Courses	5,000.00	-	-		5,000.00
E1225	Employee Tuition Reimbursement	8,000.00	-	5,616.00		2,384.00
E1227	Employee Training Other	12,000.00	-	40,000.00		(28,000.00)
E1228	IT Training Courses	2,000.00	-	-		2,000.00
E1242	Fiscal Services	-	-	30,893.72		(30,893.72)
E1244	Management Services	-	-	22,125.00		(22,125.00)
E1264	Food/Dietary (Catering) Svcs	10,000.00	84.00	1,374.72		8,625.28
E1271	IMP Design and Dev Ser (VITA)	-	-	37.37		(37.37)
E1273	ADP Consulting (State)	-	-	24,999.40		(24,999.40)
E1276	Comp Operating Services (VITA)	10,000.00	540.00	185,449.94		(175,449.94)
E1282	Travel, Personal Vehicle	10,000.00	-	5,021.47		4,978.53
E1283	Travel, Public Carriers	12,000.00	-	6,282.67		5,717.33
E1284	Travel, State Vehicle	15,000.00	-	8,860.00		6,140.00
E1285	Travel, Subsistence and Lodging	10,000.00	178.00	4,562.52		5,437.48
E1288	Travel Meal Reimb (Non-Tax)	6,000.00	105.00	2,332.00		3,668.00
E1295	Contractual Services - Rollup	1,222,084.84	-	-		1,222,084.84
E1299	Distributed Overhead	134,425.00	-	114,256.50		20,168.50
E1200	Contractual Services	1,470,809.84	1,416.77	459,742.83	31.26%	1,011,067.01
E1312	Office Supplies	10,000.00	-	2,734.88		7,265.12
E1323	Gasoline	-	571.10	2,395.98		(2,395.98)
E1373	ADP Supplies	7,000.00	-	638.93		6,361.07
E1300	Supplies and Materials	17,000.00	571.10	5,769.79	33.94%	11,230.21
E1436	Aid to Local Govts-Technology	39,540,251.00	544,185.93	40,692,263.54		(1,152,012.54)
E1452	Grants to Nongovernmental Orgs	7,089,241.00	1,441,504.03	5,405,129.44		1,684,111.56
E1400	Transfer Payments	46,629,492.00	1,985,689.96	46,097,392.98	98.86%	532,099.02
E1534	Equipment Rentals	1,000.00	-	-		1,000.00
E1535	Building Rentals	3,000.00	466.00	4,080.30		(1,080.30)
E1500	Continuous Charges	4,000.00	466.00	4,080.30	102.01%	(80.30)
E1600	Depreciation	-	-	-		-
E2211	Desktop Client Computers	5,000.00	-	-		5,000.00
E2212	Mobile Client Computers	20,000.00	-	-		20,000.00
E2218	Software (Off-the-Shelf)	2,500.00	-	10,827.60		(8,327.60)
E2231	Expendable Teleco Equipment	2,000.00	-	-		2,000.00
E2200	Expendable Equipment	29,500.00	-	10,827.60	36.70%	18,672.40
E1180	Turnover/Vacancy	-	-	-		-
E1613	Budget Reduction	-	-	-		-
	Grand Total	49,295,147.36	2,085,803.81	47,652,581.97	96.67%	1,642,565.39

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Virginia Information Technologies Agency
Combining Balance Sheet
Enterprise Funds
June 30, 2010

Program (Layout): RPT8024

	<u>E-911 Wireless</u>
Assets	
Current Assets:	
Cash with Treasurer of Virginia	\$ 11,297,777.12
Petty Cash and Travel Advances	-
Accounts Receivable	4,713,228.13
Due From Other Funds	-
Due from Commonwealth of Virginia	-
Investments	-
Prepaid Expenses	-
Total Current Assets	<u>16,011,005.25</u>
Noncurrent Assets	
Depreciable Capital Assets, Net	-
Total Assets	<u>\$ 16,011,005.25</u>
Liabilities	
Current Liabilities:	
Accounts payable	\$ 16,013,084.96
Interest Payable	-
Capital Lease Obligations	-
Due to Other Funds	-
Due to Other Agencies	-
Notes Payable	-
Advances from Treasurer of Virginia	-
Accrued Compensated Absences	26,023.00
Deferred Contract Revenue	-
Other Deferred Revenue	-
Due to Federal Government	-
Other Liabilities	-
Total Current Liabilities	<u>16,039,107.96</u>
Noncurrent Liabilities:	
Notes Payable	-
Accrued Compensated Absences	63,686.88
Capital Lease Obligations	-
Deferred Contract Revenue	-
Total Noncurrent Liabilities	<u>63,686.88</u>
Total Liabilities	<u>16,102,794.84</u>
Net Assets	
Investment in Capital Assets, Net of Related Debt	-
Unrestricted	(91,789.59)
Total Net Assets	<u>(91,789.59)</u>
Total Liabilities and Net Assets	<u>\$ 16,011,005.25</u>

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Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Enterprise Funds
For the Period Ended: June 30, 2010

Program (Layout): RPT8029

	E-911 Wireless
Operating Revenues	
Charges for Services	\$ 53,015,427.57
Total Operating Revenues	<u>53,015,427.57</u>
Operating Expenses	
Payments to Virginia Interactive	-
Personal Expenses	1,151,325.95
Contractual Services	459,742.83
Supplies and Materials	5,769.79
Rent, Insurance & Other Related Charges	4,080.30
Depreciation	-
Expendable Equipment/Improvements	10,827.60
Non-recurring Cost Estimate Payments to Providers	46,097,392.98
Total Operating Expenses	<u>47,729,139.45</u>
Operating Income (Loss)	<u>5,286,288.12</u>
Nonoperating Revenues(Expenses)	
Interest	-
Revenue from the Sale of Recyclable Materials	-
Receipts on Behalf of Others	-
Payments for Receipts Collected on Behalf of Others	-
Loss on Fixed Asset Disposal	-
Total Nonoperating Revenues (Expenses)	<u>-</u>
Income (Loss) Before Transfers	<u>5,286,288.12</u>
Transfers	
Transfers to Other State Agencies	(13,450,000.00)
Transfers to the General Fund of the Commonwealth	-
Transfers from the General Fund of the Commonwealth	-
Total Transfers	<u>(13,450,000.00)</u>
Increase (Decrease) in Net Assets	(8,163,711.88)
Total Net Assets, July 1	<u>8,071,922.29</u>
Total Net Assets, June 30	<u>\$ (91,789.59)</u>

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