

**Testimony of Raymond Hayling,  
Deputy Chief Information Officer, City of Philadelphia Office of Innovation & Technology  
Before the Senate Committee on Veterans Affairs & Emergency Preparedness  
Hon. Randy Vulakovich, Chair  
Hon. Jay Costa, Minority Chair  
February 18, 2015**

Good morning Chairman Vulakovich, Chairman Costa, and members of the committee. My name is Raymond Hayling and I am the Deputy Chief Information Officer for the City of Philadelphia. Thank you for the opportunity to testify on the issue of E9-1-1 services and providing the necessary funding to adequately support them.

Several underlying problems have manifested on this issue since enactment of the Telecommunications Act in 1996. The introduction of competitive telephone services, changes in technology and legislation have created circumstances where funding and eligibility of costs make it difficult for Counties and Cities to realize the funding necessary to provide these very vital services.

As the largest city in the Commonwealth, and the fifth largest city in the nation, Philadelphia is home to a population of over 1.5 million. Not only is Philadelphia the largest city in Pennsylvania; it is also the only municipality in which the City and County are contiguous.

The City's Public Safety Answering Point (PSAP) handled over 2.8 million total 9-1-1 calls in calendar year 2014, averaging approximately 7,930 calls per day. And this is *with* a City information 3-1-1 system that handles routine non-emergency inquiries about City services.

The PSAP sees call volume increase from approximately 7,000 calls per day in the colder months to over 10,000 per day in the warmer months. In addition, the Philadelphia 9-1-1 System must support the ability to deliver emergency services to various industrial sites, major institutions (including hospitals, schools, colleges, many large private corporate, federal, state and local government offices), commercial oil refineries, public water treatment facilities and regional transportation networks (including freight rail systems and airports). Furthermore, to facilitate major events or disaster recovery, the City has established an overflow center for its 9-1-1 operation in City Hall, in the center of downtown.

In 2012, the Pennsylvania Emergency Management Agency (PEMA) again approved the County's original 9-1-1 Plan, including earlier Public Utility Commission (PUC) approval of the surcharge of \$1.00 per month on each landline telephone in Philadelphia. The access line count as reported by the telephone companies is 922,500 lines. Based on that number of access lines, there is potential revenue of \$11 million per year. In reality, and due to a number of circumstances, the wireline tariff generates approximately \$7.1 million per year in revenue.

Since 2013, the number of reported access lines have dropped to 638,811. This means there are 283,689 fewer access lines, a 31% reduction. The remittance on these same lines fell to approximately \$6.6 million. The difference is unexplained at this time and the City continues to encourage and support legislation to establish accountability on the part of all 9-1-1 service providers, which are required to remit 9-1-1 surcharge funds and the appropriate supporting documentation. In addition to this, the City would encourage the establishment of a technology-neutral fee structure for any and all technologies that are capable of generating a voice, video or text communication for service to a 9-1-1 center.

In addition to the \$7.1 million in wireline funds, the City will receive an additional \$14 million, for operations, from the wireless funds for a combined total of \$21.1million. The City's estimated budget for operations is in excess of \$35.2 million. It must be stressed the \$35.2 million is for operations only, and does not include capital expenses or enhancements to existing equipment. It must also be noted that the overall system's hardware and software useful lifecycle is short. Combined with the need for the equipment to be operational 24x7x365 and the need for replacement on a shorter timeline of every 5 to 7 years is normal. (The normal business practice of replacing equipment every 7 to 10 years). The City of Philadelphia according to the statute is also required to have a five year capital plan. In this plan, it shall demonstrate that the funding for the purchase of the equipment, after it has been purchased, installed and made operational, must be sustained in operation for a minimum of five years. Previous versions of legislation only provide for a four year cycle. This would place us in violation of our own statutes.

The issue of funding personnel is discussed at great length by many parties as it pertains to the 70% rule. Personnel costs for the City's 9-1-1 center represent 72% of the budget, and the remaining 28% is utilized for telephone costs and system maintenance. However, that 72% represents approximately \$25.3 million. If you were to combine monies received from both funds and disregard the 70% rule the City would still be responsible for \$9.6 million. When the Public Safety Emergency Telephone Act 78 of 1990 was enacted in 1990, there was no history to review and forecast whether or not the surcharges being enacted by the legislation would produce enough funding or create an excess amount of funds. The 70% limitation placed on personnel and training expenditures was to ensure that there were still funds available to support the capital purchases, maintenance and replacement of the equipment necessary to provide 9-1-1 services. The City of Philadelphia proposes and supports the elimination of the 70% rule.

With all of that said, the revenue generated by the wireline and wireless fund represents roughly 60% of the expense total. The City must supply the remaining approximately 40% of the costs. This represents an annual shortfall of \$14.88 million that is subsidized through the City's general fund. It must be emphasized that with a \$14 million deficit, new technology and upgrades to existing equipment are difficult to fund under the current economic conditions and almost unachievable. Inevitably, this situation elongates the lifecycle process, adding to the overall cost to maintain operations and deliver services.

The City is concerned about the future adequacy of the 9-1-1 revenues and whether they will be adequate to meet the requirements of the 9-1-1 emergency communication system. I therefore respectfully encourage this Committee to work with the City of Philadelphia and other stakeholders to craft a solution that will allow the City, with the rest of the Commonwealth, to run a first-rate system.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions from members.