

## POLICY ON COST REIMBURSEMENT

### Wireless Service Providers

In order to meet its obligations under HRS Chapter 138, the Wireless Enhanced 911 (WE911) Board is responsible for the administration of the Wireless Enhanced 911 Fund, into which is deposited the monthly surcharge imposed on each commercial mobile radio service connection collected by wireless providers and resellers, and from which is distributed recoverable costs to eligible public safety answering points and wireless providers for their permissible costs.

This policy establishes the guidelines to be used by Wireless Service Providers (WSPs) in seeking reimbursement of their permissible costs for deploying and implementing Wireless Enhanced 911 service, in accordance with HRS §138-5.

### Cost Recovery Plan

1. Each WSP shall submit to the Board a Cost Reimbursement Plan that includes a brief description of the Phase II solution to be deployed. The Cost Reimbursement Plan shall contain a reasonable estimate of the WSP's costs for both one-time Non-Recurring Costs (NRCs), and Monthly Recurring Costs (MRCs). Each item shall provide a specific description of each type of expense and the estimated cost of each item.
2. NRCs shall represent the WSP's one-time, non-recurring costs incurred in preparing its network to deliver WE911 service in Hawaii. NRCs may include, but are not be limited to:
  - The acquisition and installation of equipment required to provide Wireless 911 Phase I and Phase II.
  - Application software directly related to WE911 service.
  - Network upgrades necessary to achieve Phase I and II WE911 compatibility.
  - Initial creation and loading of information regarding cell site locations, cell sector identifiers, and routing.
  - Establishment of any necessary network connectivity.
  - Design, development, and implementation of the WSP's operations and other one-time costs that may be incurred during development and startup of WE911 service.
  - Required upgrades to the Mobile Telephone Switching Office.
  - Connection fee to the 9-1-1 Selective Router.
  - Research & Development efforts directly related to WE911 service.
  - Network design directly related to WE911 service.
  - Test plan development related to WE911 service.
  - Completion of functional testing.
  - Completion of coverage and accuracy testing.

3. MRCs shall represent the WSP's Monthly Recurring Costs for providing WE911 service in Hawaii only. Such MRCs shall include, but not be limited to:
  - Services provided by third party vendors directly related to WE911 service.
  - Updating database information in various databases such as routing and location information.
  - Incremental upgrades to infrastructure and facilities required for WE911 capabilities.
  - On-going database management tasks.
  - Periodic performance reporting.
  - Operations directly related to WE911 service.
  - Routing charges directly related to WE911 service.
  - Engineering directly related to WE911 service.
4. Cost information should include but not be limited to the following:
  - Items listed as equipment should contain a description of the equipment, its purpose for Phase I or Phase II, quantity, cost, and manufacturer.
  - Items for external contractors should provide a name of the company, a description of the work to be performed, and the cost of the service provided.
  - Items listed as internal to the WSP should identify the department, description of work performed, purpose, and cost.
5. Proprietary information submitted by the WSP shall be held in confidence as authorized by HRS §138-8. All such information submitted to the WE911 Board shall be marked or stamped "Proprietary" or "Confidential" by the WSP.
6. The WSP shall maintain documentation for all charges and invoices as they relate to the implementation and maintenance of WE911 service in Hawaii. The books, records, and documents of the WSP, shall be maintained in accordance with generally accepted accounting principles.
7. The WE911 Board will reimburse the WSP for its eligible costs for WE911 service, subject to availability of funds as provided for in HRS §138-5. The payment of an invoice by the WE911 Board shall not prejudice the Board's right to object to or question any invoice or matter in relation thereto. Such payment by the WE911 Board shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein. Submission of an invoice by a WSP to the WE911 Board shall not constitute a financial or legal liability on the part of the WE911 Board.
8. The WSP shall submit a sworn and true invoice to the WE911 Board for its costs. Any such payment shall be subject to the availability of funds, and in accordance with HRS §138-5. In no event shall a WSP be reimbursed an amount in excess of its actual costs. For purposes of cost reimbursement, a sworn and true invoice consists of an invoice prepared by the WSP that describes the cost reimbursement being requested. The invoice

must be attested by an authorized agent of the WSP. WSPs must submit documentation that the costs were actually incurred as invoiced. Internal costs (such as engineering time, facilities, proportionate share of software and personnel, etc.) must be supported by documentation.

9. Payment for Monthly Recurring Costs shall not begin until the WSP has initiated Phase I service to at least one PSAP in the State of Hawaii.
10. Each WSP seeking cost recovery for Phase II must provide a sworn statement that certifies that the Phase II solution meets the minimum accuracy requirements established by the FCC as measured on a statewide basis.
11. The WSP shall include a subscriber count as of the previous month of the reimbursement request for Monthly Recurring Costs. The WSP shall also include the total number of cell sites deployed.

### **Application Instructions**

Wireless Providers and Resellers will need to submit a written request for reimbursement with supporting documentation to:

Mr. Philip Kahue, Executive Director  
Hawaii Wireless Enhanced 911 Board  
1600 Kapiolani Blvd, Suite 530  
Honolulu, HI 96814

The Reimbursement Request may be provided electronically (with scanned/digitized copies of the supporting documentation) to Mr. Kahue at [pkahue@akimekatech.com](mailto:pkahue@akimekatech.com). Please contact Mr. Kahue directly at (808) 943-9545 to confirm receipt of the email and attachments.

### **Approval and Disbursement Process**

After receipt of the Request, the Technical and Funding Committees of the WE911 Board will review each Application. The WSP may be requested to provide additional information to clarify specific line items of the reimbursement request. The Committees will initially determine the eligibility of any particular cost item. The Committees will advise the WSP of any costs that are considered ineligible, and request that the Application be amended.

At the next meeting of the Board, the Committees will report to the Board and recommend payment of the reimbursement request (as amended, if necessary). The WE911 Board will subsequently notify the WSP of the dollar amounts approved.

If the WSP wishes to dispute the Committee designation of ineligible costs, they should make a formal appeal to the Board, addressed to the Chair. The appeal should be provided in writing; a representative of the WSP may optionally provide their justification in a presentation to the Board. The full Board will review the specific disputed claims for reimbursement and make a

final determination of reimbursement eligibility. Arrangements for a Board Presentation should be made in advance to allow for scheduling and required public notice.

### **Reconciliation Process**

The WE911 Board will conduct an annual reconciliation for each PSAP submitting a Reimbursement Request and receiving payments. The reconciliation will be conducted in the first quarter of each fiscal year, and will cover the immediate past fiscal year (1 July to 30 June). The initial schedule of reconciliations will be in July, August, and September 2007.

The purpose of the reconciliation is to review Monthly Recurring Costs and to understand any escalation in recurring costs, as well as to identify any opportunities for consolidation of cost centers.

### **Amendments to Procedures**

The WE911 Board reserves the right to adopt amendments to the funding procedures and application forms as may be necessary to comply with the requirements of HRS §138. WSPs are encouraged to suggest changes and improvements they feel may be appropriate to improve the implementation and funding of Phase I and II 911 service in the State of Hawaii.

### **Dispute Resolution**

Disputes will be resolved in accordance with HRS section 138-11.