

CCN NEW CUSTOMER POLICY FAQ

- Q1.** Why did the CCN make the decision to require a one-time activation fee for new customers?
- A1.** Pierce Transit and Pierce County invested over \$44M into the Single County Wide Communications System (SCWCS) infrastructure. In order to comply with the state law that prohibits gifting of public funds, the CCN Executive Board adopted a one-time activation fee to recover the initial investment.
- Q2.** Will this impact current or future public safety/first responder customers?
- A2.** No. Public safety/first responder customers will not be required to pay the activation fee.
- Q3.** Is there benefit of adding new customers onto the SCWCS?
- A3.** Yes. As more customers come onto the network, the subscriber rate will decrease for all customers.
- Q4.** Will all new customers be required to pay the activation fee (option #1) adopted by the CCN Board?
- A4.** No. Only non-public safety agencies will be required to pay the activation fee.
- Q5.** How will the activation fee be collected?
- A5.** New customers can negotiate the terms for this fee. Options include payment over time or payment in full at contract execution.
- Q6.** Will first responders have to “compete” with other agencies such as utilities, school districts, general government, etc. for airtime on the system?
- A6.** No, First Responders and Pierce Transit will always have priority on the system.
- Q7.** The rate model shows that 11,294 units is the maximum allowable capacity of subscriber units on the system, equal to 80% of the system. How was this number developed?
- A7.** Determining the actual system capacity is a complex process as each customer’s operational requirements, talk groups, etc. are unique and have differing impacts on the available capacity of the SCWCS. The calculation was developed using a standard method averaging capacity usage at peak times.

CCN STEP DOWN MODEL BASED ON LAYER VALUE				
LAYER	Value (2016)	% of System Value		
700	\$ 26,715,260	88.62%	Annual O & M Budget	\$ 3,594,250
UHF	1,400,000	4.64%	Annual Replacement	\$ 2,009,000
VHF 410	2,031,650	6.74%		
Total	\$ 30,146,910	100.00%		
CUSTOMER MODEL LEVEL 1 (PRIORITY WITH 24/7/365 USAGE)				
LAYER	HOURS PER YEAR	# OF UNITS	HOUR PER UNIT RATE	ANNUAL PER UNIT RATE
700	8,760	1	0.142	\$ 1,244
UHF	8,760	1	0.034	298
VHF 410	8,760	1	0.034	298
O&M CUSTOMER MODEL LEVEL 2 (NON-PRIORITY VARIABLE HOURS)				
LAYER	HOURS PER YEAR	# OF UNITS	HOUR PER UNIT RATE	ANNUAL PER UNIT RATE
700	1,760	1	0.142	\$ 250
UHF	1,760	1	0.034	60
VHF 410	1,760	1	0.034	60
<i>Example above is using a non-PS customer which operates 8 hours daily for 220 days a year</i>				
REPLACEMENT CUSTOMER RATE				
LAYER		# OF UNITS		ANNUAL PER UNIT RATE
700		1		\$ 693.84
UHF		1		167.80
VHF 410		1		168.61
NEW CUSTOMER SYSTEM ACTIVATION FEE (Assess fee of 1 year replacement rate based on current year, per layer, per unit rate)				
LAYER	HOURS PER YEAR	# OF UNITS	HOUR PER UNIT RATE	RECOVERY FEE
700	8,760	1	\$ 0.08	\$ 693.84
UHF	8,760	1	0.02	\$ 167.80
VHF 410	8,760	1	0.02	\$ 168.61