

Agenda Date: October 24, 2024
Item Number: A2

Docket: UT-240644
Company Name: Home Telephone Company dba “*Rally Networks*”

Staff: Tim Zawislak, Senior Regulatory Analyst
Sean Bennett, Telecommunications Section Manager

Recommendation

Issue an order in Docket UT-240644:

- Designating Home Telephone Company, as an Eligible Telecommunications Carrier for the purpose of receiving Lifeline support from the federal Universal Service Fund in the Dallesport and Goldendale exchange service areas subject to the conditions in this Memo’s Attachment, and
- Granting an exemption from Washington Administrative Code 480-123-030(1)(d), which requires the filing of a substantive investment plan.

I. Background

On August 29, 2024, Home Telephone Company dba “*Rally Networks*” (Home or the company) filed a petition with the Washington Utilities and Transportation Commission (UTC or commission) requesting designation as an Eligible Telecommunications Carrier (ETC) under Section 214(e)(2) of the Communications Act of 1934, as amended (the Act), and Washington Administrative Code (WAC) 480-123-030. Home seeks ETC designation in Washington for the purpose of receiving federal Low Income (Lifeline) support that subsidizes monthly charges for telecommunications service for qualified low-income households. Lifeline support is distributed to ETCs as part of the federal Universal Service Fund (USF). Home is affiliated with Skyline Telecom, Inc., which is designated as an ETC in Washington. The company is a facility based provider in south-central Washington. Home also requests an exemption from Washington Administrative Code 480-123-030(1)(d), which requires ETC applicants to file a substantive investment plan.

The details of Home’s proposed rate plans are as follows:

Plan Type	Monthly Local Minutes	Monthly Local Long Distance Minutes	Monthly Data	Net Monthly Cost to Qualifying Customers
Digital Voice	Unlimited	Unlimited	None	\$24.95 - 5.25 = \$19.70
Lifeline Broadband	None	None	50/10Mbps	\$74.95 - 9.25 = \$65.70

* NOTE: *The Digital Voice Package also includes voicemail and caller identification.*

II. Discussion

The commission has jurisdiction over ETC petitions. Section 214 (e) of the Act authorizes state regulatory commissions to designate a qualified common carrier as an ETC for the purpose of receiving federal Universal Service Funds.¹ Under WAC 480-123-040, the commission has authority to approve petitions from carriers requesting ETC designation. The commission's authority to grant or deny petitions for ETC designation includes the authority to impose conditions.²

Commission staff (staff) supports finding that Home qualifies for ETC designation with the proposed conditions in the Memo Attachment. Under 47 U.S.C. § 214(e)(2), state commissions may designate more than one carrier as an ETC in an area if such designation is "consistent with the public interest, convenience, and necessity" and the carrier seeking designation as an ETC meets the two requirements of 47 U.S.C. § 214(e)(1), which are that it must:

- (A) offer the services that are supported by federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
- (B) advertise the availability of such services, and the charges therefore, using media of general distribution.

Home is a common carrier.³ It is capable of providing services supported by federal universal service mechanisms, as defined in 47 C.F.R. § 54.101(a). The company also commits that it will advertise the availability of Lifeline services.⁴

The company meets the requirements of the Washington rule on ETC designation, WAC 480-123-030, except subsection (1)(d). WAC 480-123-030(1)(d) requires an ETC petitioner to provide a "substantive plan of the investments to be made with initial federal support during the first two years in which support is received and a substantive description of how those expenditures will benefit customers." Home requests an exemption from the requirement because the company seeks only Lifeline support, not federal High Cost support. Staff recommends granting the exemption.

Granting the exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes. The Commission granted similar exemptions in its orders designating Lifeline-only ETCs such as Boomerang, Rainier Connect North, Sage, and TracFone.

¹ 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(c).

² *In the Matter of the Petition of TracFone Wireless, Inc. for Exemption from WAC 480-123-030(1)(d), (f) and (g); and Designation as an Eligible Telecommunications Carrier for the Purpose of Receiving Lifeline Support from the Federal Universal Service Fund*, Order 03 (June 24, 2010), UT-093012, ¶ 78.

³ Home was registered as a CLEC in Docket UT-240576 with an effective date of August 20, 2024.

⁴ On October 3, 2024, as part of its Supplemental Filing in Docket UT-240644, the company submitted further evidence of its advertisements, compliance with emergency backup power requirements, and officer certification.

Staff reviewed the company's technical and financial capabilities to provide the supported Lifeline service and carefully considered relevant factors suggested in the FCC's Lifeline and Link Up Reform Order. Based on the company's operational history and parent company financial statements, staff concludes that the company is technically and financially capable of providing the supported Lifeline service in compliance with all the low-income program rules.

III. Conclusion

Staff believes that designating Home as a Lifeline-only ETC will deliver benefits and additional choices to low-income households in the Dallesport and Goldendale, Washington exchange areas. Staff recommends the commission enter an order designating Home Telephone Company as an ETC for the purpose of receiving federal Lifeline support (Lifeline-only) in the Dallesport and Goldendale exchange service areas subject to the conditions in the Memo Attachment; and granting an exemption from WAC 480-123-030(1)(d).

Attachment