

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of
Northwest Fiber Holdco, LLC, and BCE
Holding Corporation for an Order Approving
the Transfer of Control of Ziplly Fiber
Northwest, LLC to BCE Holding Corporation.

Docket No. UT-240951

**DIRECT TESTIMONY OF
JESSICA EPLEY
VICE PRESIDENT
REGULATORY AND EXTERNAL AFFAIRS
ZIPLY FIBER NORTHWEST, LLC
ON BEHALF OF NORTHWEST FIBER HOLDCO, LLC**

January 27, 2025

Table of Contents

I. Summary of Testimony.....1

II. Introduction.....2

**III. The Transaction Is in the Public Interest and Should Be Approved on
an Expedited Basis8**

IV. Conclusion16

1 **I. SUMMARY OF TESTIMONY**

2 **Q. Please summarize your testimony.**

3 A. Since its acquisition of the various Frontier Communications Corporation
4 properties in 2020, Northwest Fiber Holdco and its operating subsidiaries,
5 including Ziplly Fiber Northwest (collectively, “Ziplly Fiber”) have successfully
6 executed on their plans for enhancing fiber-based communications services in
7 Washington. Ziplly Fiber is now positioned to continue building on that success
8 following the proposed acquisition by BCE Holding Corporation (“BCE Holding”),
9 a wholly-owned subsidiary of Bell Canada, Canada’s largest telephone and
10 telecommunications company. I will provide background regarding myself, Ziplly
11 Fiber, its management team, employees, and proven track record of successful
12 deployment and explain how this transaction positions Ziplly Fiber to continue its
13 growth in the Pacific Northwest and the State of Washington. As I will describe in
14 additional detail, the proposed transaction allows Ziplly Fiber to carry on as an
15 independent operating entity, managing important Washington infrastructure. This
16 transaction allows Ziplly Fiber to act on its plans to preserve and enhance traditional
17 residential and business voice services, as well as the related ancillary services it
18 provides, while building out high-capacity next-generation network facilities
19 providing a range of communications service options, particularly fiber broadband
20 options, to thousands of Washington consumers, satisfying its current Rural Digital
21 Opportunity Fund (“RDOF”) and other funding initiatives. Ziplly Fiber will

1 continue its existing business plans, with its existing management team, who have
2 a long history of serving Washington customers.

3 As detailed at length in my testimony, the Commission should allow the
4 transaction to proceed by expeditiously approving the Joint Application given that
5 the transaction satisfies the “no harm” standard and is in the public interest.

6 **II. INTRODUCTION**

7 **Q. Please state your name, occupation and business address.**

8 A. My name is Jessica Epley. I am Vice President of Regulatory & External Affairs at
9 Zply Fiber. My business address is 135 Lake Street South, Suite 155, Kirkland,
10 Washington, 98033.

11 **Q. Please provide a brief history of your employment.**

12 A. I joined Frontier Communications in 2018 as the Government and External Affairs
13 Manager with responsibility for the Zply Fiber operating states of Idaho, Montana,
14 Oregon and Washington prior to its acquisition and transformation into Zply Fiber.
15 Since the acquisition, I have served as a Director and most recently, Vice President,
16 in the Regulatory and External Affairs division of Zply Fiber.

17 **Q. What are your duties as the Vice President of Regulatory & External Affairs
18 at Zply Fiber?**

19 A. As Vice President of Regulatory & External Affairs at Zply, I am the senior leader
20 of all regulatory compliance, including acquisition integration, and program leader
21 of Federal and State Subsidy programs including Federal Universal Service Fund
22 (“FUSF”) High Cost (RDOF), FUSF Lifeline and state telephone assistance

1 programs. My role means that I lead our regulatory compliance team of myself
2 plus two managers. I oversee our reporting and our external affairs with respect to
3 broadband deployment and network upgrades. Additionally, I am the program lead
4 for Ziplly Fiber's Civic Partnership program, with responsibility for sourcing and
5 pursuing opportunities to partner with public entities to expand access to broadband
6 networks. In turn, I ensure the smooth implementation of our public-private
7 partnerships and compliance with the terms of those awards to better serve our
8 Washington customers on a constant basis. My purview also includes serving as a
9 corporate investment strategy advisor to Ziplly Fiber, as my day-to-day exposure to
10 federal and state regulatory and compliance demands, as well as customer demands,
11 gives me a unique degree of insight into the telecommunications industry, both at
12 large and with respect to specific markets, such as Washington State.

13 **Q. What duties will you have as Vice President of Regulatory & External Affairs**
14 **post-transaction close?**

15 A. After the transaction closes, my duties and day-to-day oversight will remain the
16 same because there will be no changes to the Ziplly Fiber operating companies in
17 connection with the transaction. Along with the rest of the existing management
18 team at Ziplly Fiber, I will continue working with my current teams to manage the
19 day-to-day functioning of the company. As a result of this uninterrupted
20 involvement, neither customers, employees, nor regulators will experience any
21 differences in how Ziplly Fiber operates after Closing. In my case, I look forward
22 to continuing in my role supporting the evolution of Ziplly Fiber and ability to

1 further expand access to Washingtonians through our Civic Partnership program
2 and external affairs engagement, further ensuring that the seamless continuity of
3 service post-transaction will continue for our Washington subscribers.

4 **Q. Please briefly describe the current ownership structure of Zply Fiber.**

5 A. Today, the current parent entity, Northwest Fiber Holdco, LLC (“NWF Holdco”),
6 is a Delaware limited liability company formed to manage Zply Fiber Northwest,
7 LLC (“ZFN”) and other affiliates. Currently, NWF Holdco is approximately 90
8 percent owned by investment funds affiliated with Searchlight Capital Partners,
9 L.P. (“Searchlight”), a global private equity investment company whose funds
10 invest in companies across various sectors, including communications, media, and
11 financial and business services. Searchlight has approximately \$15 billion in assets
12 under management and has extensive experience working with portfolio companies
13 executing strategies that involve deploying broadband infrastructure. Entities
14 affiliated with WDC Management, LLC (“WDC”) have an approximate 10 percent
15 indirect equity and voting interest in NWF Holdco. Founded in 2003, WDC has
16 invested in various entities in the telecommunications space. [For additional
17 granular information about NWF Holdco’s financial standing, please see attached
18 Highly Confidential Exhibit 1.

19 **Q. How do the Zply Fiber affiliates, including ZFN, operate today?**

20 A. ZFN provides broadband and voice services throughout Washington, as well as a
21 small video service operation in limited jurisdictions. Like its other NWF Holdco
22 operating affiliates, ZFN uses the trade name “Zply Fiber.” Zply Fiber is the

1 leading fiber internet provider in the Pacific Northwest, with over 1.3 million fiber
2 locations across its four-state service area. Ziplly Fiber’s primary service offerings
3 are fiber internet and voice for residential customers, business fiber internet and
4 voice services for small businesses, and a variety of internet, networking, and voice
5 solutions for enterprise customers. Ziplly Fiber’s focus on network technology and
6 innovation has resulted in steady expansion of its footprint since 2020.

7 **Q. Please briefly describe how the current ownership structure of Ziplly Fiber will**
8 **change at Closing.**

9 A. At Closing, NWF Holdco will engage in a series of transactions by which BCE
10 Holding will become the owner of all the equity and voting interests in NWF
11 Holdco by acquiring, both directly and indirectly, all of its issued and outstanding
12 membership units. The Board of Directors of NWF Holdco unanimously provided
13 written consent to this transaction on November 1, 2024, as can be seen in Highly
14 Confidential Exhibit 2.

15 **Q. Please summarize the issue this transaction presents for the Commission.**

16 A. This transaction presents a straightforward opportunity for the Commission to
17 allow Ziplly Fiber to continue to enhance and expand services to Washingtonians,
18 using the same managerial team and their collective experience in serving this
19 market in collaboration with BCE Holding’s support. Expediting approval will
20 ensure a stable future for Ziplly Fiber and enable it to continue to deliver excellent
21 service and innovation to Washington customers, building on and continuing the
22 investments made by Ziplly Fiber for many years. Also, we are uniquely positioned

1 to support a seamless customer transition at the Closing. Unlike other transactions
2 where two entities with separate networks merge, Zply Fiber will continue to use
3 and provide services to Washington customers using the same physical network
4 overseen by the same managerial team. There will be no subsequent system
5 cutover, and no operating system or business system transitions that could
6 potentially impact customer service. In addition, as discussed in the opening
7 testimony of Mark Graham, BCE Holding is committed to Zply Fiber's customers
8 and employees in Washington. This employee base includes more than 1,000
9 current employees working for Zply Fiber in Washington, including field
10 technicians and customer service representatives, and the Zply Fiber team at all
11 levels will continue providing uninterrupted support and services to Washington
12 consumers following Closing. In addition, in contrast to the 2020 transaction under
13 which Zply Fiber was formed, Zply Fiber and its subsidiaries will not take on *any*
14 new debt in connection with the transaction.

15 Approval by the Commission will allow the parties to implement their
16 collaborative plan to ensure a smooth transition that will be transparent for current
17 customers. In particular, Zply Fiber will communicate with customers in advance
18 of Closing to assure them that there will be no changes in the company directly
19 providing them with service. Any communication will occur through billing
20 messages, postcards, and other means. Again, because of the structure of the
21 transaction, there will be no name changes and no changes to ZFN tariffs and
22 catalogs, eliminating any potential customer confusion.

1 This transaction will enable Ziplly Fiber’s team to continue on the positive
2 trajectory that began with the closing of the 2020 transaction. Since that time, Ziplly
3 Fiber has created more reliable communications services for our Washington
4 customers. This commitment to Washington communities is demonstrated most
5 clearly from our recent broadband expansion efforts, both with the investment of
6 private capital and through public/private partnerships.

7 While expanding its network footprint, Ziplly Fiber has been aggressively
8 simplifying its systems to improve the customer experience. Our vision of
9 “simplifying peoples connected lives everyday” comes to life in the refinement and
10 replacement of aging legacy operations systems inherited from Frontier. At the
11 close of the transaction with Frontier, a customer could not place an order for
12 service online. Within months of closing, Ziplly Fiber retooled our website to allow
13 customers to place online orders for service. Deploying more sophisticated systems
14 has also allowed us to better understand network performance. Since 2020 we
15 have deployed more than 1,900 route miles of fiber throughout our service area,
16 creating significantly greater resiliency in our network. I have witnessed the
17 benefits of this resilience firsthand. Prior to the formation of Ziplly Fiber, when
18 Frontier owned the ILECs, I would receive calls daily from customers, regulators
19 and local governments with concerns about network outages, billing errors, missed
20 commitments and other frustrations. Today, I receive fewer than two calls a week.
21 I am confident that the proposed transaction will allow Ziplly Fiber to continue
22 providing excellent service to our Washington customers.

1 **Q. What is your recommendation and request for the Commission based on this**
2 **testimony?**

3 A. I would recommend and request expeditious approval because swift approval is
4 clearly in the public interest.

5 **Q. Are other witnesses offering testimony in this proceeding?**

6 A. Yes, Mark Graham, Senior Vice President, Legal and Regulatory for Bell Canada,
7 which wholly and directly owns and controls BCE Holding, is offering testimony
8 on behalf of BCE Holding that provides more background about BCE Holding, its
9 affiliates, and this transaction, and further describes why this transaction is in the
10 public interest.

11 **III. The Transaction Is in the Public Interest and Should Be Approved on an**
12 **Expedited Basis**

13 **Q. Do you believe the proposed transaction will benefit current Ziplly Fiber**
14 **customers in Washington and is in the public interest?**

15 A. Yes. This transaction will be significantly beneficial for Washington customers
16 and is clearly in the public interest. Upon closing of the proposed transaction, Ziplly
17 Fiber will carry on as its own separate operating entity, and there are no plans to
18 change Ziplly Fiber's management, operating systems, business systems, or
19 business plans. Instead, the proposed transaction will be completely transparent to
20 consumers at and below the operating level. The proposed transaction will enable
21 Ziplly Fiber's current management to continue focusing on the localities the
22 company serves, maintaining important relationships with customers, business
23 partners, and local regulators. There will be no migration of billing systems,

1 operating systems or any other systems that could affect customers. In addition, this
2 continuity will inspire confidence for Ziplly Fiber employees.

3 **Q. Do you believe the proposed transaction can take place while Ziplly Fiber**
4 **continues to meet its state and federal construction requirements linked to its**
5 **awards?**

6 A. Yes. Again, because we are keeping Ziplly Fiber’s current business plan in place,
7 the proposed transaction will have no effect on ZFN’s participation in RDOF and
8 other important federal and state funding initiatives. ZFN will continue to
9 contribute to USF and receive USF funding, as it has in the ordinary course. In
10 addition, the proposed transaction will allow Ziplly Fiber to continue executing on
11 its ongoing plans for future growth. The transaction will not result in any change
12 to ZFN’s offering of the full range of residential, business, and related
13 telecommunications services and functionalities currently provided to consumers
14 and businesses in its Washington service area. Full functionality including, but not
15 limited to, access to 911, directory assistance, operator services, and consumers’
16 choice of long-distance provider will continue, and eligible low-income consumers
17 will retain access to the federal Lifeline program. Additionally, though its
18 predecessor’s services were granted competitive classification by the Commission
19 in 2013, ZFN will continue to be subject to the Commission’s consumer protection
20 requirements and service quality standards set forth in WAC 480-120.

21 **Q. Please explain why you see the proposed transaction as beneficial to**
22 **Washington State customers.**

1 A. Simply put, ZFN's customers will continue benefitting from Zply Fiber's emphasis
2 on providing excellent service throughout its territory, including the rural and
3 underserved areas that have been traditionally overlooked by other service
4 providers. The company will continue to benefit from the leadership of its highly
5 qualified and experienced executive team, many members of which call
6 Washington home. The transaction also will provide Zply Fiber with well-
7 established owners who are experienced in the deployment of fiber.

8 This transaction will be transparent to the existing customers in
9 Washington, and because the proposed transaction will take place at the holding
10 company level and be completely transparent at the operating company level, there
11 will be no impact to ZFN's current customers. Upon closing, no changes to ZFN's
12 rates, terms, and conditions set forth in its existing catalogs and tariffs will occur
13 as a result of the transaction, and any changes to such matters would be made solely
14 in the ordinary course and pursuant to any applicable rules and regulations. Zply
15 Fiber will work with BCE Holding to leverage Bell Canada's expertise to support
16 ZFN's provision of service to customers. Given that Zply Fiber and its existing
17 management will maintain control of the day-to-day functioning of the company,
18 neither customers, employees, nor regulators will experience any differences in
19 how Zply Fiber operates after Closing.

20 **Q. Please expand on how the benefits of the Transaction are in the public interest.**

21 A. My understanding is that the standard for approval used by the Commission is
22 whether the transaction satisfies the public interest, which is met if the transaction

1 causes “no harm” and that the factors the Commission considers to determine that
2 are: (i) the impact on competition at the wholesale and retail levels; (ii) the
3 technical, managerial, and financial capability of the surviving entity to operate
4 successfully; (iii) the potential impact on service quality; (iv) the financial impacts
5 on cost of capital, capital structure, and access to financial markets; (v) how benefits
6 and synergies are shared between shareholders and customers; and (vi) the impact
7 on rates, terms, and conditions of service. Most, if not all, of these factors can be
8 found in the proposed transaction, which will result in significant public interest
9 benefits for customers of ZFN by combining Ziplly Fiber’s strong and demonstrated
10 commitment to the localities in which it operates with Bell Canada’s deep history
11 and success in deploying fiber and other telecommunications infrastructure,
12 including in rural areas. At the same time, the proposed transaction will not result
13 in any countervailing harms to the public interest.

14 **Q. Please expand on these points with respect to Ziplly Fiber.**

15 A. This transaction satisfies all of the factors in the Commission’s standard for
16 approval. For example: (i) there will be no diminishment of competition at the
17 wholesale or retail level, given that Bell Canada and Ziplly Fiber are not competitors
18 today; (ii) the surviving entity will have the same technical, managerial, and
19 financial capability as it has today; (iii) service quality will be maintained, given
20 that Ziplly Fiber’s existing management and operations will remain in place; (iv)
21 Ziplly Fiber will not take on any new debt as a result of the transaction, meaning
22 there will be no negative impact on cost of capital, capital structure, and access to

1 financial markets; (v) customers will benefit from the transaction by way of the
2 combination of Ziplly Fiber's strong and demonstrated commitment to the localities
3 in which it operates with Bell Canada's deep history and success in deploying fiber
4 and other telecommunications infrastructure, including in rural areas; and (vi) rates,
5 terms and conditions will not change as a result of the transaction, with any future
6 changes occurring solely in the ordinary course and pursuant to applicable rules
7 and regulations. In short, the proposed transaction will provide a firm foundation
8 for ZFN's service offerings through leveraging Bell Canada's deeply embedded
9 expertise.

10 Ziplly Fiber and BCE Holding share a firm belief in promoting strong local
11 ties in the communities they serve, and Ziplly Fiber will be able to continue
12 operating as a true local company. Ziplly Fiber has over 1,000 employees, managers,
13 and members of leadership that live and work in Washington. Having successfully
14 built and grown the Kirkland-based competitive broadband company Wave
15 Broadband, and subsequently successfully managed Ziplly Fiber for the past five
16 years, the leadership team of Ziplly Fiber already have an extensive understanding
17 of these markets and the unique challenges presented by providing services to
18 Washington communities. This team has now successfully managed Ziplly Fiber for
19 the past five years, expanding broadband service and providing excellent customer
20 service to its residential and business customers. Our expectation is that
21 Washington consumers will reap tangible benefits from the proposed transaction,
22 because this transaction puts Ziplly Fiber in an excellent position to continue to

1 deliver on expansion of its competitive, robust networks, which have continually
2 provided new or improved service options and increased competitive choice. In
3 sum, consumers will benefit from the presence of a strong, local, well-funded
4 competitor in Washington.

5 **Q. Please explain further how Zply Fiber’s technical and managerial expertise**
6 **will allow it to operate successfully after Closing.**

7 A. This transaction will support an independent ILEC that is rooted in the region, has
8 a Northwest-focused leadership team, and has the know-how and financial
9 resources to make major investments in fiber expansion and customer service
10 improvements. After Closing, Northwest Ultimate, NWF Holdco’s successor
11 entity, will be led by the experienced group of executives who currently lead Zply
12 Fiber, which we expect will include Harold Zeitz, Christopher Denzin, Ryan
13 Hjorten, and Bambang Liem. Although the full slate of officers and directors of
14 Northwest Ultimate will not be finalized until closer to Closing, this management
15 team generally will reflect the current leadership of Zply Fiber. Any changes to the
16 officers and directors of Zply Fiber that will occur as a result of the transaction and
17 NWF Holdco’s restructuring to Northwest Ultimate will not affect the day-to-day
18 management or operation of Zply Fiber or ZFN.

19 The management team currently includes Harold Zeitz, who as the Chief
20 Executive Officer (“CEO”) of Zply Fiber has 22 years of industry experience. In
21 addition to his current role as CEO of Zply Fiber, Mr. Zeitz was previously a
22 Managing Director of WDC, and is a former President and Chief Operating Officer

1 (“COO”) of Wave Broadband. He is joined by Christopher Denzin, the COO of
2 Ziply Fiber since 2022, who has an additional 26 years of leadership experience at
3 CenturyLink in Arizona, Colorado, Oregon, and Washington. Their colleague Ryan
4 Hjorten has more than 10 years of proven executive experience and was the Vice
5 President of Accounting and Finance at Ziply Fiber since its inception and was
6 promoted to the CFO position in 2023. Likewise, Bambang Liem, Ziply Fiber’s
7 Chief Technology Officer, is a former Wave Broadband executive and has over 35
8 years of experience in the telecommunications industry. This team has continued
9 to grow Ziply Fiber’s reach in the Pacific Northwest through a series of acquisitions
10 of fiber and fixed-wireless companies, while simultaneously engaging in significant
11 fiber deployment throughout ZFN’s Washington territory.

12 This managerial team will also be supported by numerous managers,
13 directors, and supervisors who form part of the more than 1,500 current employees
14 throughout the four-state region, including more than 1,000 employees in
15 Washington. These management and other personnel have expertise and experience
16 with respect to key operational functions, including customer service, customer
17 care and support, network engineering and support, emergency management and
18 public safety, interconnection issues, and regulatory compliance, all of which has
19 enabled the transformation Ziply Fiber has experienced over the past five years.

20 As previously noted, Ziply Fiber’s managerial team will be supported by
21 employees who have expertise in network deployment, network and traffic routing,
22 information technology, and ordering and billing systems. Ziply Fiber and its

1 existing management will continue to manage the day-to-day functioning of the
2 company, and customers, employees, and regulators will not experience any
3 differences in how Zply Fiber, including ZFN, operates.

4 I also note that after BCE Holding assumes control of Zply Fiber, as more
5 fully discussed in the opening testimony of Mark Graham, Zply Fiber, like other
6 BCE Inc. subsidiaries, will be able to leverage BCE Inc.'s existing relationships in
7 financial markets when seeking access to future financing arrangements.

8 **Q. Will Zply Fiber continue to honor its build-out requirements after Closing?**

9 A. Yes. As I explained above, because we are keeping Zply Fiber's current business
10 plan in place, the proposed transaction will have no effect on Zply Fiber's
11 participation in RDOF and other important federal and state funding initiatives. To
12 date, ZFN has been awarded an NTIA Broadband Investment Program project for
13 1,638 locations, two American Rescue Plan Act ("ARPA") Capital Projects Fund
14 projects covering a total of 516 locations, and five ARPA State and Local Fiscal
15 Recovery Fund projects covering a total of 7,360 locations. The proposed
16 transaction will not negatively impact Zply Fiber's ability to meet these federal
17 requirements.

18 We also expect that the transaction will not result in diminished voice or
19 broadband service for Washington customers. Zply Fiber remains committed to
20 providing clear and reliable voice services to Washington residents, regardless of
21 the technology used or whether those customers also enjoy non-regulated services.
22 Voice service continues to be important for many consumers, and Zply Fiber will

1 work with BCE Holding to ensure that voice service remains available to all
2 customers. Zply Fiber's intended continued deployment of fiber supports this
3 commitment as it will improve service quality for both voice and broadband
4 services.

5 **IV. CONCLUSION**

6 **Q. Please summarize why this transaction will cause no harm and thus is in the**
7 **public interest under the factors previously considered by the Commission.**

8 A. This transaction provides the opportunity to enable a truly local company to
9 seamlessly continue providing service to customers in Washington state without
10 distorting or impairing competition. Zply Fiber and its subsidiaries will continue
11 to be managed and operated at the same high level of performance by people with
12 expertise that live and work in the Washington communities they serve, backed by
13 a well-established, experienced telecommunications operator, Bell Canada.

14 **Q. Does this conclude your direct testimony?**

15 A. Yes, thank you.