

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

WESTERN WAHAKIAKUM COUNTY
TELEPHONE COMPANY,

Requesting distribution of funds from the
state universal communications services
program created in RCW 80.36.650

DOCKET UT-230607

ORDER 01

GRANTING DISTRIBUTION OF
FUNDS FROM THE STATE
UNIVERSAL COMMUNICATIONS
SERVICES PROGRAM

BACKGROUND

- 1 On May 13, 2019, the Governor signed Second Substitute Senate Bill (SSSB) 5511, which addresses broadband service issues by: (a) creating the Governor’s State Broadband Office, (b) establishing a broadband grant and loan program administered by the Public Works Board, (c) revising the conditions in which a port district can offer telecommunication services, and (d) extending and revising the purpose of the State Universal Communications Services Program (State USF Program or Program).¹ The State USF Program is primarily intended to provide direct financial support to Washington’s small incumbent Class B Telephone companies that have adopted a plan to provide, enhance, and maintain broadband services in high-cost rural areas of Washington.²
- 2 The Washington Utilities and Transportation Commission (Commission) is allotted \$5 million for the 2024 program year,³ and it may distribute the \$5 million (less the

¹ RCW 80.36.650(1) provides that “The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission and the provision, enhancement, and maintenance of broadband services, recognizing that, historically, the incumbent public network functions to provide all communications services including, but not limited to, voice and broadband services.”

² The legislation described above in (a) through (d) creates other opportunities for broadband expansion in addition to this program.

³ This the tenth and final year of the program. *See In re Amending WAC 480-123*, Docket UT-190437, Gen. Order R-598, (May 27, 2020) (General Order R-598).

Commission's administrative costs) to qualifying companies before June 30, 2024.⁴

3 On May 27, 2020, the Commission entered General Order R-598 (Adoption Order) in Docket UT-190437 amending and adopting rules in Chapter 480-123 WAC to reconfigure the State USF Program in accordance with SSSB 5511.⁵

4 Paragraph 14 of the Adoption Order states that an “[e]ligible provider may now receive a distribution from the Program if they have adopted a plan to provide, enhance, or maintain broadband services in their service areas.” The Adoption Order and the rule that it adopted establish four different eligibility criteria.⁶ To receive a distribution, a provider must meet at least one of these eligibility criteria and also comply with the prerequisites in WAC 480-123-100.⁷

5 A company, accordingly, must include in its petition a broadband plan for maintaining, providing, or enhancing broadband service within the provider's service area.⁸ It must also provide one of the following:

⁴ RCW 80.36.650(2) allows that if less than five million dollars is expended in any fiscal year, the unexpended portion *must be carried over* to subsequent fiscal years and be available for program expenditures. This fiscal year, \$6,078,083 *is available* for distribution from the State USF Program.

⁵ The Adoption Order established minimum standards of 25 megabits per second download and 3 megabits per second upload (25/3 Mbps) for service to be considered high-speed broadband for the purpose of the State USF Program.

⁶ General Order R-598 at 4-7 ¶¶ 16-22; WAC 480-123-110(1)(j)(i)-(iv).

⁷ WAC 480-123-100 sets forth various criteria for requesting program support for wireline, wireless, and other communications providers. Wireline communications providers must: (a) be local exchange companies that serve fewer than 40,000 access lines within the state, (b) be an incumbent local exchange carrier, (c) offer basic residential and business telecommunications services, (d) have an established plan to provide, maintain, or enhance broadband service, and (e) be designated by the Commission as an ETC for the purposes of receiving federal universal service support.

⁸ To the extent applicable, a company's broadband plan to provide, maintain or enhance service should include:

- (i) A multiyear investment plan;
- (ii) Specific project(s) that are projected to provide or enhance broadband services at speeds required by the Commission or the Federal Communications Commission. Project information should include an estimated timeline, geographic location, number of locations passed, and upload and download speeds;
- (iii) A plan for maintenance of broadband services in the provider's service area;

- 1) An unsworn statement made by a company officer certifying that the provider commits to the deployment of broadband to the number of locations the Commission has determined by order. Such deployment obligations are in addition to any Federal Communications Commission deployment requirements. Additionally, a provider that elects to petition the program for support under this category is subject to review of its rate of return and financial reporting requirements;
- 2) An unsworn statement by a company officer certifying that the provider commits to the deployment of broadband to the number of locations the Commission has determined by order. Such deployment obligations are in addition to any Federal Communications Commission deployment requirements;
- 3) An unsworn statement by a company officer certifying that the provider has already met the Federal Communications Commission's total deployment obligations associated with federal high-cost program support as of the date of the petition, and that, since January 1, 2018, the provider has deployed broadband to the number of locations the Commission has determined by order. If a company has deployed broadband to a number of locations less than the number required by Commission order, the company must certify that it will deploy broadband to the remaining number of locations; or
- 4) An unsworn statement by a company officer certifying that broadband service is available to 100 percent of locations within the provider's service area, and that the company commits to making broadband service available to any new locations.

6 On June 30, 2023, Western Wahkiakum County Telephone Company (Western Wahkiakum or Company) filed its State USF compliance report, and filed a revised

(iv) A description for how the provider will enhance broadband services in its service area; and

(v) Any supporting information that the Commission requests to assist its review and analysis of the provider's broadband plan.

report with updated subscribership and availability language on August 23, 2023. In the report, Western Wahkiakum states that it utilized support towards the maintenance of the existing network while also making investments to provide more reliable and faster broadband service in the Grays River and Naselle Exchanges. During the 2022-2023 program year, the company completed over half a dozen major projects, ranging from Construction of fiber optic facilities to the licensing and development of GIS mapping software and consulting, to name a few. Currently, Western Wahkiakum is 100 percent fiber to the premises (FTTP) and has successfully converted all customers over to fiber. Additionally, the company continues to maintain the open WI-FI hotspots that were established in response to COVID-19. Based on Commission staff's (Staff) review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

- 7 Western Wahkiakum filed its petition seeking State USF support under eligibility criterion four on July 25, 2023, and filed a revised petition updating its broadband plan on October 9, 2023. In its broadband plan, Western Wahkiakum states that finished transitioning locations from copper to fiber and now offers 300 Mbps symmetrical service throughout its study area. The company has entered into support contracts with its primary equipment vendors to ensure the maintenance of existing platforms and the enhancement of the existing platforms, as they become available. Additionally, Western Wahkiakum anticipates future capital expenditures for line extensions and while continuing to make principal and interest payments on its RUS broadband construction loans.
- 8 Staff reviewed Western Wahkiakum's Petition, supporting exhibits, including a broadband plan, and believes that the Company meets the prerequisites for requesting program support set forth in WAC 480-123-100 and the fourth eligibility criterion. Overall, Staff finds that Western Wahkiakum certified that broadband service is available to 100 percent of locations within its service area and has committed to making broadband service available to any new locations. The Company provided a broadband plan to maintain its existing infrastructure while continuing to invest in capital improvements to enhance broadband speed capability. Staff recommends the Commission find the Company eligible for State USF Program support in the amount of \$220,890 to be disbursed no later than December 31, 2023.

DISCUSSION AND DECISION

9 We agree with Staff that Western Wahkiakum has demonstrated its eligibility for a distribution from the State USF Program for fiscal year ending June 30, 2024.

10 The Company has certified that broadband service is available to 100 percent of locations within its service area and has committed to making broadband service available to any new locations. Western Wahkiakum has provided a broadband plan to maintain its existing infrastructure while continuing to invest in capital improvements to enhance broadband speed capability. Furthermore, the Company has shown its ability to provide and maintain service. Western Wahkiakum is committed to continued maintenance and enhancement of its service.

11 We find that a distribution in the amount of \$220,890 from the State USF Program is in the public interest, consistent with the purposes underlying the regulation and applicable statutes, and should be granted.

FINDINGS AND CONCLUSIONS

12 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate public service companies, including local exchange companies.

13 (2) Western Wahkiakum is a local exchange company as defined in WAC 480-120-021 and a public service company subject to Commission jurisdiction.

14 (3) Western Wahkiakum has certified that broadband service is available to 100 percent of locations within its service area and has committed to making broadband service available to any new locations.

15 (4) Western Wahkiakum has provided a broadband plan to maintain its existing infrastructure while continuing to invest in capital improvements to enhance broadband speed capability.

16 (5) Western Wahkiakum is eligible to receive funding from the State USF Program in the amount of \$220,890 to be disbursed no later than December 31, 2023.

ORDER

THE COMMISSION ORDERS:

- 17 (1) Western Wahkiakum County Telephone Company's request for funds from the State USF Program for fiscal year ending June 30, 2024, in the amount of \$220,890 is granted.
- 18 (2) The funds will be disbursed by December 31, 2023.
- 19 (3) The Commission retains jurisdiction over this matter for purposes of effectuating this order.

DATED at Lacey, Washington, and effective November 22, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner