Service Date: November 22, 2023

BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

WESTGATE COMMUNICATIONS, LLC, d/b/a WEAVTEL,

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

DOCKET UT-230625

ORDER 01

GRANTING DISTRIBUTION OF FUNDS FROM THE STATE UNIVERSAL COMMUNICATIONS SERVICES PROGRAM

BACKGROUND

- 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). 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
- The Washington Utilities and Transportation Commission (Commission) is allotted \$5 million for the 2024 program year,³ and it may distribute up to \$5 million (less the Commission's administrative costs) to qualifying companies before June 30, 2024.⁴

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 is 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).

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

- 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
- 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 it adopted establish four different eligibility criteria. To receive a distribution, a provider must meet at least one of those eligibility requirements and also comply with the prerequisites in WAC 480-123-100.
- A company, accordingly, must include in its petition a broadband plan for maintaining, providing, or enhancing broadband service within the provider's service area. It must also provide one of the following:

expenditures. This fiscal year, \$4,850,000 is available for distribution from the State USF Program.

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

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:

- 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;
- 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.
- On July 3, 2023, Westgate Communications LLC, d/b/a Weavtel (Westgate or Company) filed its State USF compliance report and filed a revised report on September 18, 2023, to provide an update to its use of funds and inform the Commission that it met its UTC broadband buildout obligation. Westgate reports that it has completed the construction

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

and provisioning of three tower sites at Buehler's Bluff, the Westgate headquarters, and Stehekin Landing Earth Station site. The company also reports that the Stehekin warehouse and shed repair has been completed. The damage was caused by the winter storms from the previous program year. In addition, Westgate provided coordinates for 70 locations that now have broadband availability of 25/3 Mbps or faster, as such, it has now met its UTC broadband deployment obligation. 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.

- Westgate filed its petition seeking State USF support on August 1, 2023, under eligibility criterion two, and it filed a revised petition and broadband plan on October 23, 2023. The company's three fixed wireless towers will provide fixed wireless broadband to all the remaining locations and will deploy repeaters to serve locations without direct line of sight. Westgate currently offers 25/3 Mbps broadband due to bandwidth constraints, however, it has finalized all permits and engineering to complete a terrestrial backhaul project that will reduce costs, increase broadband speeds, provide redundancy, and increase available bandwidth. Westgate anticipates completing this project by December 31, 2024.
- Staff reviewed Westgate's Petition, supporting exhibits, including a broadband plan, and has determined that the Company meets the prerequisites for requesting program support set forth in WAC 480-123-100 and the second eligibility criterion. Overall, Staff finds that Westgate certified its commitment to deploy broadband services to the number of locations in the Adoption Order, in addition to any locations required by the Federal Communications Commission (FCC). Furthermore, the Company provided a broadband plan to enhance broadband services to areas it does not currently serve 25/3 Mbps. Staff recommends the Commission find the Company eligible for State USF Program support in the amount of \$103,242 to be disbursed no later than December 31, 2023.

DISCUSSION AND DECISION

We agree with Staff that Westgate has demonstrated its eligibility for a distribution from the State USF Program for fiscal year ending June 30, 2023.

⁹ Each company has a specific UTC Deployment Obligation based on its cost benchmark and the amount of anticipated support each company is potentially eligible to receive through June 30, 2024. For these calculations, Staff calculated that \$4,850,000 would be available annually for fiscal years 2022-2024.

- The Company has certified its commitment to continue to deploy broadband services to the locations required by the Adoption Order, these are in addition to locations required by the FCC. Westgate provided a broadband plan to enhance broadband service to locations it does not currently serve with 25/3 Mbps speed. The Company has also shown in its compliance report the ability to provide and maintain services. Westgate committed in its petition to deploy broadband services, continue maintenance, and enhance its services.
- We find that a distribution in the amount of \$103,242 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.
- Westgate is a local exchange company as defined in WAC 480-120-021 and a public service company subject to Commission jurisdiction.
- Westgate has certified its commitment to deploy broadband services to the number of locations required by the Commission's Adoption Order in Docket UT-190437, in addition to locations required by the FCC.
- Westgate has provided a broadband plan to enhance broadband services to areas they do not currently serve 25/3 Mbps.
- Westgate is eligible to receive funding from the State USF Program in the amount of \$103,242 to be disbursed no later than December 31, 2023.

ORDER

THE COMMISSION ORDERS:

Westgate Communications, LLC, d/b/a Weavtel's request for funds from the State USF Program for fiscal year ending June 30, 2024, in the amount of \$103,242 is granted.

- 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