

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UT-180890
NEWMAX, LLC d/b/a INTERMAX NETWORKS	ORDER 01
Seeking Designation as an Eligible Telecommunications Carrier in the state of Washington pursuant to 47 U.S.C. § 214(e)(2)	ORDER GRANTING ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

BACKGROUND

- 1 On November 2, 2018, Newmax, LLC d/b/a Intermax Networks (Intermax or Company) filed a petition (Petition) with the Washington Utilities and Transportation Commission (Commission) requesting designation as an eligible telecommunications carrier (ETC) pursuant to 47 U.S.C. § 214(e)(2), 47 C.F.R. § 54.201, and Washington Administrative Code (WAC) 480-123-040 for the purpose of participating in the Federal Communications Commission’s (FCC) federal low-income and federal high-cost programs.
- 2 On December 18, 2018, the Company amended its Petition to clarify the details of its substantive investment plans in order to meet its obligations under the CAF-II program.
- 3 The FCC’s CAF-II “reverse auction” was held in the summer of 2018 and the winning bidders were officially announced in August 2018. In order to be eligible to receive the applicable CAF-II funding during the ten-year term, each winning bidder must receive ETC designation by February 25, 2019. Intermax was a winning bidder and will receive \$216,045 each year for the next ten years in exchange for making voice and broadband services available to approximately 800 customer locations in specific previously unserved or underserved areas within southeastern Spokane county.¹ These locations include 190 specific census blocks in four census block groups.

¹ Both voice and broadband services must be priced reasonably and comparably to urban services (below the benchmarks of \$51.61 and \$77.65 per month, respectively. Additionally, the broadband baseline service level is 25Mbps downstream with 3Mbps upstream (with a minimum

4 Intermax seeks ETC designation for a service area including all four census block groups in southeastern Spokane County where it operates as a winning bidder. The Company's proposed service area, encompassing all four of the census block groups where it operates as a winning bidder, is broader than the smaller pockets (census blocks) auctioned by the FCC for high-cost purposes. Intermax has chosen to offer its services to a broader area in order to make its Lifeline services available to more customers. As an ETC, the Company must provide discounted services to qualifying low-income customers.

5 The Company also plans to meet and exceed the benchmarks established for deployment within the first five years of the ten-year term of the CAF-II program. That is, the Company will offer at least one voice and one broadband service meeting the relevant service requirements to the required number of locations in the following timeframe:

- 40 percent of the required number of locations by the end of the third year of support;
- An additional 20 percent in each subsequent year of support; and,
- 100 percent by the end of the sixth year of support.

The exact deployment schedule will be determined by the carrier.

6 Intermax has extensive experience over the last two decades providing rural customers in northern Idaho with telecommunications services using various technologies. The Company currently offers services including fixed-wireless technology. As a result of the CAF-II Auction funding, the Company will make additional investments to extend its fixed-wireless services to more remote locations than would otherwise be economically feasible without such support.

7 Broadband and voice services awarded pursuant to competitive bidding must be high quality and meet performance standards for both speed and latency under 47 C.F.R. § 54.309(a).

8 Commission staff (Staff) reviewed Intermax's Petition and supplemental materials (including the Company's responses to data requests and long form application) and supports Intermax's request for designation.

9 Staff believes the Company has met the requirements for ETC designation under 47 U.S.C. § 214(e)(2), 47 CFR § 54.201, and WAC 480-123-040 as evidenced by the

usage allowance of at least 215GB per month for 2019 pursuant to FCC Public Notice, DA 18-1280, released on December 20, 2018).

Petition as amended on December 18, 2018. Accordingly, Staff recommends the Commission designate Intermax as a federal ETC.

DISCUSSION

- 10 Common carriers receiving designation as ETCs under 47 U.S.C. § 214 are eligible to receive subsidies from the federal Universal Service Fund. State utility commissions are responsible for designating common carriers as ETCs for the purpose of receiving such funds. The Commission will approve applications from carriers requesting ETC designation if the application meets the requirements of WAC 480-123-030, the designation will advance some or all of the purposes of universal service found in 47 U.S.C. § 254, and the designation is in the public interest.²
- 11 The Commission agrees with Staff that the Company has demonstrated that it meets the criteria for designation as an ETC, including offering all services supported by the federal universal service support mechanisms set forth in 47 U.S.C. § 254. By offering Lifeline to areas beyond the eligible census blocks, Intermax is going above and beyond the minimum requirements of only serving locations supported by the CAF-II high-cost program. The Commission finds that granting the Company's Petition will benefit consumers and is in the public interest. Accordingly, the Commission designates Intermax as a federal ETC as requested in its Petition, as amended on December 18, 2018.

FINDINGS AND CONCLUSIONS

- 12 (1) The Commission has jurisdiction over ETCs in Washington and the subject matter of this order under 47 U.S.C. 214(e)(2), 47 C.F.R. 54.201, and Chapter 480-123 WAC.
- 13 (2) Intermax is a telecommunications company doing business in the state of Washington. Intermax has demonstrated that it meets the requirements for designation as an ETC under 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.201(d), and WAC 480-123-030, and that its designation is in the public interest.
- 14 (3) This matter came before the Commission at its regularly scheduled open meeting on January 31, 2019.

² WAC 480-123-040.

- 15 (4) After reviewing Intermax's Petition, as amended on December 18, 2018, and giving due consideration to all relevant matters, the Commission finds that the Petition should be granted and Intermax should be designated as a federal ETC for service in the four census block groups in Spokane County as indicated in the Petition, as amended on December 18, 2018.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The petition of Newmax, LLC d/b/a Intermax Networks, as amended on December 18, 2018, for designation as federal Eligible Telecommunications Carrier in the state of Washington is GRANTED for service in the four census block groups in Spokane County as indicated in its petition, as amended on December 18, 2018.
- 17 (2) The Commission retains jurisdiction over this matter for purposes of effectuating this order.

DATED at Olympia, Washington and effective January 31, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner