

Agenda Date: August 29, 2024  
Item: A5

**Docket:** UT-240485  
Company: Inland Cellular, LLC

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

## **Recommendation**

Issue an order in Docket UT-240485 designating Inland Cellular, LLC as an Eligible Telecommunications Carrier (ETC) for the purpose of receiving federal high-cost Rural Digital Opportunity Fund (RDOF) Phase I support and Low Income (Lifeline) program support from the FCC's Federal Connect America / Universal Service Fund.

## **Background**

On June 24, 2024, Inland Cellular (Inland or Company), filed a petition with the Washington Utilities and Transportation Commission (Commission) requesting designation as an Eligible Telecommunication Carrier (ETC) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the Act), and Washington Administrative Code (WAC) 480-123-030.

The Company seeks ETC designation from the Commission for the purpose of receiving federal high-cost Rural Digital Opportunity Fund (RDOF) Phase I support and Low Income (Lifeline) program support from the FCC's Federal Connect America / Universal Service Fund.

The Company intends to act in place of Commnet Wireless, LLC which had been designated for this purpose (within Kittitas County Washington), over three years ago, in Docket UT-210149. Commnet has indicated that it will concurrently file for the relinquishment of its ETC designation status for the locations and obligations that are being transferred to Inland.

Inland complies with the Federal Communications Commission (FCC) requirements for ETC designation for purposes of receiving high-cost and Lifeline funding support as it can certify compliance with the service requirements associated to the support it receives, demonstrates the ability to remain functional in emergency situations, including back up power and traffic reroute capabilities, consumer protection and service quality standards, financial and technical capabilities of providing high-cost and Lifeline service in compliance with the FCC rules and regulations, submission of terms and conditions of Lifeline plans.

Inland<sup>1</sup> is a common carrier with its own telecommunications facilities in Washington state.

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<sup>1</sup> Inland's registration and classification as a competitive telecommunications company was filed in Docket UT-240595.

The Commnet (Inland) transaction<sup>2</sup> is one of two transactions that Commnet is currently engaged in. The second transaction involves the San Juan County Washington RDOF-I locations and Island Network, LLC *d/b/a Rock Island Communications* (Rock Island).<sup>3</sup> The parties filed separate joint applications for approval of the two separate transfers of Commnet's RDOF-I support and related obligations. One for Inland and one for Rock Island. The third area, that Commnet has not yet addressed, is for the locations in the Port Angeles (Clallum County) area. The attachment to this memo includes a summary of all the RDOF adjustments to date including, but not limited to, the Commnet transactions.

On July 11, 2024, Inland supplemented its petition with responses to Commission Staff's (Staff) questions (including more detail on the buildout plans in the subject areas). This satisfies subsection (1)(d) of WAC 480-123-030 regarding the substantive investment plan of the investments to be made with federal support during the first two years and direct benefits to customers as a result of such expenditures.

## Discussion

The Commission has jurisdiction over the ETC petitions in Washington state. Section 214(e) of the Act authorized state regulatory Commissions to designate a qualified common carrier as an ETC for the purposes of receiving federal Universal Service Funds. Additionally, under WAC 480-123-040, the Commission has authority to grant such ETC designation petitions.

Commission Staff finds that Inland's petition and supplemental responses qualify the company for ETC designation. Under 47 U.S.C. 214 (e) (2), also explains that a state Commission may designate a carrier as an ETC if such designation is consistent with the public interest, convenience, and necessity, and the carrier seeking designation as an ETC meets the following two requirements of 47 U.S.C. 214(e)(1):

- (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.

Inland is capable of providing services supported by the federal universal service mechanism, as defined in 47 C.F.R 54.101(a). Additionally, the Commnet Inland transaction (pending with the Federal Communications Commission or FCC) for official approval of the transfer of these specific RDOF-I authorizations to Inland. Designating Inland as an ETC will allow the Company

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<sup>2</sup> Commnet Inland filing at the FCC can be found at: <https://www.fcc.gov/ecfs/search/search-filings/filing/10430186636453>

<sup>3</sup> See Rock Island's petition for designation filed in Docket UT-240182.

to complete the RDOF-I obligations under the associated awards and to begin participation in the Lifeline program on behalf of qualifying consumers. Inland commits to meeting the construction and deployment for the RDOF-I obligations imposed by the FCC into the future and will make service available to all customers in the high-cost ETC service area through its own facilities and wholesale arrangements.

Staff recommends that the Commission approve the Inland petition for ETC Designation. Staff believes that designation of Inland as an ETC will deliver benefits to Washington consumers in Kittitas County and is therefore in the public interest.

Attachment