

Docket No. UT-190574 - Vol. II

In the Matter of Northwest Fiber, LLC, et al.

January 27, 2020



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Page 25

1 BEFORE THE WASHINGTON
 2 UTILITIES AND TRANSPORTATION COMMISSION
 3 _____
 4 In the Matter of the Joint)Docket UT-190574
 Application of)
 5)
 NORTHWEST FIBER, LLC, FRONTIER)
 6 COMMUNICATIONS CORPORATION,)
 AND FRONTIER COMMUNICATIONS)
 7 ILEC HOLDINGS LLC)
)
 8 For an Order Declining to)
 Assert Jurisdiction Over, or,)
 9 in the Alternative Approving)
 the Transfer of Control of)
 10 Frontier Communications)
 Northwest Inc. to Northwest)
 11 Fiber, LLC.)
 12 _____
 13 PUBLIC COMMENT HEARING, VOLUME II
 14 Pages 25-41
 15 CHAIR DANNER, COMMISSIONER RENDAHL, COMMISSIONER
 BALASBAS AND JUDGE KOPTA
 16 _____
 17 January 27, 2020
 18 10:00 a.m.
 19 Washington Utilities and Transportation Commission
 621 Woodland Square Loop Southeast
 20 Lacey, Washington 98503
 21 REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358
 22 Buell Realtime Reporting, LLC
 1325 Fourth Avenue, Suite 1840
 23 Seattle, Washington 98101
 (206) 287-9066 | Seattle
 24 (360) 534-9066 | Olympia
 (800) 846-6989 | National
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Page 26

1 A P P E A R A N C E S
 2 COMMISSIONERS:
 3 DAVE DANNER, Chair
 ANN RENDAHL, Commissioner
 4 JAY BALASBAS, Commissioner
 5
 6 ADMINISTRATIVE LAW JUDGE:
 7 GREGORY J. KOPTA
 8
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Page 27

1 LACEY, WASHINGTON; JANUARY 27, 2020
 2 10:00 A.M.
 3 --o0o--
 4 P R O C E E D I N G S
 5
 6 CHAIR DANNER: Good morning. This is a
 7 public hearing of Utilities and Transportation
 8 Commission regarding the transfer of Frontier
 9 Communications Northwest, Inc. to Northwest Fiber, LLC,
 10 and this is Docket UT-190574.
 11 My name is Dave Danner. I'm Chair of the
 12 Commission. I am joined by my colleagues, Commissioner
 13 Ann Rendahl, Commissioner Jay Balasbas, and also sitting
 14 up here at the dais with us is Administrative Law Judge
 15 Greg Kopta, who will be overseeing the formal hearing in
 16 the case after the public meeting is -- is over.
 17 This case involves a petition to transfer
 18 the control of Frontier Northwest to Northwest Fiber,
 19 and they are seeking to transfer all their -- their
 20 facilities and operations in Washington, Oregon, Idaho,
 21 and Montana. Obviously, we are only concerned with the
 22 facilities in Washington State.
 23 Northwest Fiber will be jointly owned by
 24 WaveDivision Capital 7, LLC, an investment fund of WDC
 25 Management, LLC, and investment funds affiliated with

Page 28

1 Searchlight Capital Partners, LP. Following the close
 2 of the transaction, the Commission will maintain the
 3 same regulatory oversight over Frontier Northwest that
 4 it had prior to the completion of the transaction.
 5 As I said, there is a formal hearing in this
 6 case involving several intervenors, and that includes
 7 the UTC Staff who operate as a separate party, obviously
 8 the companies involved, as well as the Public Counsel
 9 Office of the Attorney General. And so for those of you
 10 commenting today, if you want more information on the
 11 case, Nina Suetake is here from the Attorney General's
 12 Office. She's raised her hand and she's in the second
 13 row.
 14 At public comment hearings, basically we are
 15 here to listen. So if you have questions, we will treat
 16 them as rhetorical questions or we will refer you to the
 17 AG or to Commission Staff, but we won't be engaging in a
 18 give-and-take.
 19 So we will get started. For those -- there
 20 are several people on the phone. I would like to ask if
 21 there's anyone on the bridge line who intends to provide
 22 comments this morning?
 23 Okay. So far, I'm hearing none. In that
 24 case, for those who are in the room who wish to comment,
 25 I need you to stand and raise your right hand so I can

Page 29

1 swear you in.
 2 (All persons testifying sworn.)
 3 CHAIR DANNER: All right. Thank you. You
 4 may be seated.
 5 MR. CECIL: Sorry, we were muted. We
 6 have -- this is Erik Cecil for Charter Communications.
 7 We have Mike Scanlon here in case you need to ask him
 8 any questions. Thank you.
 9 CHAIR DANNER: All right. Thank you. I'm
 10 assuming that you don't intend to comment during the
 11 public comment hearing?
 12 MR. CECIL: No, no. I'm sorry, not at all.
 13 CHAIR DANNER: All right. Thank you.
 14 Well, let's start, then. James Pafundi,
 15 would you like to come forward?
 16 MR. PAFUNDI: Sure. Just --
 17 CHAIR DANNER: Have a seat, either one, and
 18 then to speak, you're going to have to press the button
 19 on the microphone until the light turns -- the red light
 20 turns green. And it can be a challenge. There you go.
 21 Go ahead, sir.
 22 MR. PAFUNDI: All right. So I'm here
 23 representing myself and my neighbors as well. There's a
 24 group of us that live on the border of the Kalama
 25 Telephone and the Northwest Fiber, the Frontier

Page 30

1 exchange. And apparently, some 50 years ago, maybe
 2 around the breakup of the Bells, one of the landowners
 3 got the boundary to become somewhat irregular so that
 4 this landowner was not making long distance telephone
 5 calls to Woodland. And so we're in a little carveout
 6 section for the exchange that is really on the way to
 7 nowhere. So there's probably about a hundred or so home
 8 sites. Maybe more.
 9 We live in a rural area. We're not
 10 incorporated. We're not in part of Kalama or Woodland.
 11 We're the unincorporated section. And so essentially,
 12 with being such a small area with a carveout,
 13 communication lines, Fiber really running -- you know,
 14 would just be running directly to our homes. With the
 15 advent of high speed Internet, our area has been
 16 underdeveloped. So we still have copper telephone
 17 lines, which are not being used, haven't been used for
 18 some time. Most everybody uses cell phones, but we have
 19 no high-speed Internet connection except for microwave.
 20 So currently, myself and a few others are
 21 getting microwave through Cascade Networks, but, again,
 22 running into some similar issues with reliable
 23 transmission due to weather, due to trees. We live in a
 24 very, you know, wooded area, so our only access to
 25 high-speed Internet right now is through Cascade

Page 31

1 Networks at a much -- at a slow, very slow rate. I
 2 think we're at less than a megabyte of upload speeds,
 3 and that varies depending upon the day and temperature
 4 and whatnot, trees. And in a few months or years, the
 5 trees will grow up around and we'll have no access.
 6 So today, we -- when we heard about the --
 7 the proposed selling, we talked to Kalama Telephone
 8 about, you know, things that we could do, and his
 9 recommendation, along with some others that we have
 10 talked to, was here to make our situation known and
 11 allow the Commission to kind of exercise its authority
 12 to solve our problem. We've spoken to a number of
 13 attorneys that are involved in this situation, so this
 14 has been a very difficult landscape for us to navigate,
 15 and it seems like everywhere we turn, you know, there's
 16 people willing to listen, but that's about as far as it
 17 goes.
 18 So today, you know, I just wanted to remind
 19 the Commission of two things. Obviously I read your
 20 mission statement on the website of what you're here to
 21 provide, and part of -- there was a number of things:
 22 Safe, reliable, cost-effective, and available. So in
 23 our situation, high-speed Internet is not reliable nor
 24 available for our particular community.
 25 Secondly, looking at the information

Page 32

1 sheet that was provided, it says that what is the
 2 permission -- what is the purpose of this is to whether
 3 the acquisition meets the applicable no-harm standard,
 4 which requires a showing of customers will be no worse
 5 off when the transaction is approved. And I would argue
 6 that we would be worse off if the transaction is
 7 approved, because if it is approved without addressing
 8 our issues, our ability to effect change moving forward
 9 will be significantly reduced.
 10 So we would be losing the leverage that we
 11 would have to bring this to the Commission's attention,
 12 to have, you know, some, you know, problem-solving and,
 13 you know, government intervention to providing
 14 high-speed Internet, reliable high-speed Internet to our
 15 community, which would significantly effect property
 16 values. I'm a small business owner, significantly
 17 reduce my ability to run my business from my home and
 18 could eventually, you know, force me to have to move.
 19 So I would just want to make that -- this
 20 very apparent to the Commission that this -- this
 21 exists, and up until this point, we've -- we've asked
 22 Kalama Telephone, we've tried to work with our local
 23 agencies for a number of years. We've got, you know,
 24 signatures from other neighbors that are willing to
 25 join, but I don't think the numbers -- you know, even if

Page 33

1 it was 50 to a hundred homes, I don't think the numbers
 2 are significant enough to overcome the market-based, you
 3 know, approach that you would normally see if you could
 4 get a thousand homes because it's very expensive. We
 5 realize that, and so we just feel that we're at a
 6 Catch-22 here.

7 So we're looking for the Commission to
 8 become aware and to work with the purchasing company to
 9 provide those services or some type of solution to our,
 10 you know, carveout.

11 CHAIR DANNER: All right. Thank you very
 12 much. Let me ask, sir, I do have some questions for
 13 you. So can you tell me how many homes -- how many
 14 people are affected; do you know?

15 MR. PAFUNDI: I mean, I would think that it
 16 would probably be somewhere in the neighborhood of a
 17 hundred homes. It's hard to know, but there's more home
 18 sites that are being developed now. You know, it's a
 19 mountainous area, so actually how many homes are going
 20 to be in that particular area, I'm not sure.

21 CHAIR DANNER: And currently, if you were to
 22 use that copper pair, is that Kalama Telephone or is
 23 that Frontier?

24 MR. PAFUNDI: Frontier.

25 CHAIR DANNER: It's Frontier. So the -- the

Page 34

1 basic landline telephone provider in this area is
 2 Frontier?

3 MR. PAFUNDI: Correct, and the
 4 infrastructure is old and aged, I would not -- I'm not
 5 even sure that -- Frontier from the last time that we've
 6 contacted them has -- has said, you know, they --
 7 unfortunately nothing's available for your area. And we
 8 do have Fiber running right up the road right from our
 9 home, but because of the carveout, the Fiber is for
 10 Kalama Telephone. So we actually have Kalama Fiber
 11 running right up the road, but unable to tap it to that.

12 CHAIR DANNER: All right. Thank you.
 13 Anyone else have questions for Mr. Pafundi?

14 All right. Thank you very much, sir.

15 MR. PAFUNDI: Thank you.

16 CHAIR DANNER: Douglas Slack? Come forward.

17 MR. SLACK: Good. Green light's still on.

18 Good morning. Thank you for allowing me some time to
 19 speak with you. Appreciate the opportunity. My name is
 20 Douglas Slack. My wife, LaDonna, and I live at 4409
 21 Green Mountain Road in rural Cowlitz County in southwest
 22 Washington State. I have chosen to read this to you
 23 this morning. They're all my words, I just want to be
 24 sure to not leave anything out. When you're old,
 25 sometimes you do that.

Page 35

1 We understand that this hearing is for the
 2 purpose of approving transfer of service operations from
 3 Frontier Telecommunications to Northwest Fiber, LLC. We
 4 understand that the Washington Utilities and
 5 Transportation Commission regulates, among other things,
 6 telephone service, which we assume does not include
 7 cellular phone services since many of us use different
 8 cellular providers depending on cost, features, and
 9 whether we can actually get a decent signal from where
 10 we live.

11 We also understand that Internet service is
 12 not regulated, excepting that many telephone companies
 13 do provide Internet connections, and therefore, if you
 14 live within their particular boundary, you can only have
 15 what your telephone company offers.

16 It is this connection that makes our
 17 situation unique. This is 2020. We've entered yet
 18 another decade where telecommunications, Internet use,
 19 and even the necessity of having Internet access
 20 increases virtually every minute. Public schools
 21 require access to Internet for their students. I dare
 22 you to try and pay a bill or do online banking without
 23 high-speed Internet. Advanced degree studies, even
 24 healthcare is more challenging without Internet access.
 25 Technology changes at such a rapid rate that many of us

Page 36

1 find it a daunting task to keep up. I would say most of
 2 us find it a daunting task to keep up.

3 Interestingly enough, our home is in the
 4 Kalama School District, Kalama voting district, and our
 5 mailing address is Kalama, 98625. But we're included
 6 within a boundary of telephone service that is loosely
 7 referred to as the Woodland line operated by --
 8 currently served by Frontier Telecommunications. This
 9 area is part of the proposed transfer of service from
 10 Frontier to Northwest Fiber, LLC described in this
 11 docket today, 190574.

12 While this may seem irrelevant since we,
 13 along with many of our neighbors, have discontinued
 14 landline telephone service, we all know the advantages
 15 of having a mobile telephone. Portability along with
 16 all the features and services offered by cellular phone
 17 companies when combined with smart phone features that
 18 are common today make it hardly -- hard to justify
 19 paying for a phone on the wall if that's the only
 20 purpose.

21 We know many of our neighbors have
 22 offered -- are offered as part of their landline
 23 subscription with competing telephone companies the
 24 option to have access to the Internet through those
 25 companies using underground line technologies such as

Page 37

1 DSL, broadband, FTTP. DSL being probably something that
 2 could be appropriate to use with a twist compared to
 3 older line technology.
 4 Since these services were not available to
 5 us, we currently subscribe to a microwave service that
 6 uses a parabolic dish pointed towards a repeater dish in
 7 Columbia County across the Columbia River in Oregon.
 8 Many of our neighbors also use that same service, but
 9 trees grow up and block the signal, and if they're not
 10 your trees, you can't go cut them down.
 11 Over the last few years, we have received
 12 solicitation mailers from Frontier and others to add
 13 Internet service, but when we call and inquire, the
 14 answer is always the same or has been always the same;
 15 not available at your address, but we can offer
 16 satellite Internet service. We have tried satellite
 17 Internet service ourselves before, and we have
 18 current -- neighbors who are -- subscribe to the newer
 19 generation service and have all agreed that it is
 20 inadequate, it's expensive, and is vulnerable to loss of
 21 service during inclement weather events.
 22 We've also inquired about broadband service
 23 using either a bundled package that includes telephone,
 24 television, and Internet service from services such
 25 as -- companies such as Internet -- or I'm sorry,

Page 38

1 Infinity, Comcast, Qwest, CenturyLink, Spectrum, some of
 2 the company names that I recall. Answer always seems to
 3 be the same; we don't have any options available at your
 4 address.
 5 We understand that the Internet service is
 6 not regulated and we can subscribe to any number of --
 7 any of a number of Internet service providers. Just
 8 last week, I did respond to an ad and inquired at Wave
 9 Broadband if they could offer service to our residents.
 10 I haven't heard back yet from them. They said that they
 11 will check out the address and see if they have
 12 something available. However, we currently know of no
 13 broadband lines in our immediate area. We are in an
 14 area populated by homes who were built individually, not
 15 part of a large development that might attract broadband
 16 service companies.
 17 So we are hereby putting in a request for
 18 current technology communications services as a
 19 condition of approval of this transfer of service.
 20 Thank you for your time. Questions?
 21 CHAIR DANNER: Thank you, Mr. Slack.
 22 Are there questions for Mr. Slack?
 23 All right. Since you do have your remarks
 24 prepared in writing, I was wondering if you could share
 25 that with our staff so that we --

Page 39

1 MR. SLACK: I will leave them with you. I
 2 have it in my computer at home.
 3 CHAIR DANNER: All right. Very good. Then
 4 we will -- we will take that.
 5 MR. SLACK: It's your copy.
 6 CHAIR DANNER: All right. Thank you very
 7 much.
 8 Is there anyone else in the room or on the
 9 bridge line who wishes to provide comments this morning?
 10 Mr. Cupp, anything?
 11 Okay. All right. Well, it looks like that
 12 concludes our public comment hearing this morning, and I
 13 want to thank you for coming up and sharing your -- your
 14 thoughts with us this morning.
 15 We are going to begin the formal hearing,
 16 Mr. Kopta, at what time?
 17 JUDGE KOPTA: Oh, let's -- let's say in ten
 18 minutes. It's now 10:19, so we'll start at 10:30.
 19 CHAIR DANNER: All right. So we will do
 20 that. We will take a ten-minute break and then we will
 21 start with the formal part of the hearing. Again, thank
 22 you very much for coming out and sharing your thoughts
 23 with us today. We will take those under advisement as
 24 we go forward. So the public comment hearing is
 25 adjourned.

Page 40

1 (Adjourned at 10:20 a.m.)
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