

Agenda Date: January 31, 2019  
Item Number: A2

**Docket:** UT-180819  
Company Name: Declaration Networks Group, Inc.

Staff: Tim Zawislak, Senior Regulatory Analyst  
Sean Bennett, Regulatory Analyst  
Jing Roth, Assistant Director - Telecommunications

## **Recommendation**

Enter an order granting Declaration's amended petition for designation as an Eligible Telecommunications Carrier.

## **Background**

The Federal Communications Commission (FCC) CAF-II "reverse auction" was held during the mid-summer of 2018 and the winning bidders were officially announced in August.<sup>1</sup> In order to be eligible to receive the applicable CAF-II funding during the ten year term of this program, each winning bidder must receive Eligible Telecommunications Carrier (ETC) designation by February 25, 2019.<sup>2</sup>

Declaration Networks Group, Inc. (Declaration) will receive \$390,000 each year for the next ten years in exchange for making voice and broadband services available to approximately 2,900 customer locations.<sup>3</sup> These locations are in 417 specific census blocks that were previously identified as unserved or underserved within Stevens county.

Declaration filed its petition on September 26, 2018. On November 15, 2018, commission staff (staff) met with the company to review its plans for deployment and to explain the designation and certification processes in Washington.<sup>4</sup> Next, staff issued informal data requests and Declaration responded timely. Based on discussions with staff, the company amended its petition on December 3, 2018, to clarify the details of its substantive investment plans in order to meet its obligations under the CAF-II program.

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<sup>1</sup> FCC News Release on Connect America Fund Auction Results, [DOC-353840A1.pdf](#), August 28, 2018.

<sup>2</sup> FCC Public Notice on winning bidder requirements, [DA 18-887](#), August 28, 2018.

<sup>3</sup> 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 usage allowance of at least 215GB per month for 2019 pursuant to FCC Public Notice, [DA 18-1280](#), released on December 20, 2018).

<sup>4</sup> Declaration was registered as a telecommunications company in Docket UT-180807 on October 21, 2018.

## **Discussion**

Declaration seeks a service area to include all of the awarded *census blocks* in Stevens county where it operates as a winning bidder. This proposed service area was auctioned by the FCC for high-cost purposes.<sup>5</sup> Declaration has also committed to make its Lifeline services available to low income consumers in this service area. As an ETC, the company must provide discounted services to qualifying low-income customers.<sup>6</sup>

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 commercially 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 third year of support
- An additional 20 percent in each subsequent year of support
- 100 percent by the end of the sixth year of support
- The exact deployment schedule will be determined by the carrier.

Declaration has been providing rural customers in Virginia with telecommunications services and has experience with similar challenges. Additionally, Declaration is a CAF-II Auction winning bidder in Maryland as well as Washington. It has already been granted ETC designation for those high cost locations in Maryland. The company offers services using fixed-wireless technology (including via, but not limited to, television white space frequencies, aka “TVWS”). As a result of the CAF-II Auction funding, the company will make investments to establish its fixed-wireless services to these remote locations in Stevens county, which would not otherwise be economically feasible without such support. Microsoft’s Airband Initiative will also play a role in Declaration’s provisioning model.

Broadband and voice services awarded pursuant to competitive bidding must be high quality and also meet performance standards for both speed and latency under FCC Rule 47 CFR 54.309(a).

RCW 80.36.610 states, “The commission is authorized to take actions, conduct proceedings, and enter orders as permitted or contemplated for a state commission under the federal telecommunications act of 1996[.]” The Washington Utilities and Transportation Commission (commission) has the authority to grant ETC Designations pursuant to [47 U.S.C. § 214\(e\)\(2\)](#), [47 C.F.R. § 54.201\(b\)](#), and Washington Administrative Code ([WAC](#)) [480-123-040](#).

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<sup>5</sup> See the Attachment to this memo for a map of the proposed service area.

<sup>6</sup> USAC administers the Lifeline program on behalf of the FCC, the uniform application is available on USAC’s website at <https://www.lifelinesupport.org/ls/apply-for-lifeline/default.aspx>.

### **Conclusion and Recommendation**

Commission staff has reviewed the amended petition and supplemental materials (including the company's response to data requests and long form application), and supports Declaration's request. The amended petition meets the commission's rule in WAC 480-123-030 and is consistent with the FCC's CAF-II "reverse auction" requirements.

Based on its review and analysis, staff concludes that Declaration has met the necessary requirements for designation as an ETC.<sup>7</sup> Therefore staff recommends that the commission enter an order granting Declaration's ETC designation.

Attachment

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<sup>7</sup> As an ETC, Declaration may also be considered as a Carrier of Last Resort (or COLR) depending upon the results of the commission's ongoing rulemaking in Docket UT-180831.