

State of Washington State Telecommunications Modernization Plan

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Developer: RUS Borrowers of Washington
Submitted: July 28, 1997

Part 1 - Introduction and Purpose

On February 13, 1995, the Rural Utilities Service (RUS, formerly the REA), an agency of the Department of Agriculture, published Final Rule 7 CFR Part 1751, entitled "Telecommunication System Planning and Design Criteria, and Procedures." The rule responds to the Rural Electrification Loan Restructuring Act of 1993 (RELRA) and establishes RUS policy that every State have a telecommunications modernization plan.

On March 22, 1995, the Washington Utilities and Transportation Commission (WUTC) notified the RUS and the Washington Independent Telephone Association (WITA), that it "will not be attempting to develop the State Modernization Plan." The WUTC's notice and decision was acknowledged by RUS on March 29, 1995. As a statewide trade association for local exchange carriers and others involved in the telecommunications business, WITA notified RUS Borrowers and facilitated meetings of the Borrowers to develop this Plan. The plan being submitted herein was developed and affirmed by a majority of the RUS borrowers and applies only to RUS borrowers in the state of Washington.

Part 2 - Definitions

The definitions for the terms in this plan are those established by the RUS and set forth in 7 CFR Part 1751.100.

Part 3 - General Requirements

This Modernization Plan provides for improvement of Washington state's telecommunications network and applies to RUS Borrowers' wireline service areas. The state of Washington's Plan:

1. Provides for the elimination of party line service;
2. Provides for the availability of telecommunications services for improved businesses, educational, and medical services;
3. Encourages and improves computer networks and information highways for subscribers in rural areas;
4. Provides for subscribers in rural areas to be able to receive through telephone lines the following: conference calling; video images; and data at a rate of at least 1 million bits of information per second; and, the proper routing of information to subscribers;
5. Provides for uniform deployment schedules to ensure that advanced services are deployed at the same time in rural and nonrural areas; and
6. Will provide for such additional requirements for service standards as required by the RUS Administrator.

Part 4 - Modernization Plan

General Statement

To implement the requirement of 7 CFR Part 1751, this Plan sets minimum requirements as described in the following paragraphs. These requirements are grouped as being either short-term or medium-term. A Telecommunications Provider may apply for an extension of time if the required investment is not economically feasible or if the best available telecommunications technology lacks the capability to enable the Telecommunications Provider to comply with this Plan. A borrower should refer to 7 CFR Part 1751 for specific information on extensions.

Strategic Development

The developers of this plan believe a modular approach to developing a commercially feasible telecommunications network infrastructure will provide the consumers in the state of Washington access to a competitive array of communications and information products and services, offered at a reasonable price. The Plan foresees Washington consumers will enjoy new levels of choice and control over a wide range of services, delivered at economical prices over a public switched broadband network providing seamless interconnectivity with private networks. Wide deployment of this infrastructure will enhance the economic development of Washington, creating new jobs and opportunities throughout the state.

The telecommunications companies providing Washington with local exchange service believe it is important to:

- Build the infrastructure to meet subscribers' growing telecommunications needs.
- Ensure that telecommunications products contribute to subscriber competitiveness in the global marketplace, positioning telecommunications services as a tool for economic development, educational excellence, improved health care and the widest possible range of services to the home.
- Identify opportunities where telecommunications services can assist state and local governments as well as educational institutions in addressing their need to provide greater services with less resources.
- Deliver products and services in a cost-effective, competitive manner.
- Minimize regulations for those telecommunication services that are, or become, competitive.
- Streamline regulation of non-competitive telecommunications services.

- Explore and adopt incentives to invest in new telecommunications products and services such that providers will be able to meet the requirements of this Plan.
- Build a network to provide as much redundancy as possible.

In general, Plan engineering designs will be formatted to be consistent with those which typically accompany a RUS loan design. They would contain such generally accepted standards as the elimination of loaded plant and station carrier, as well as plant configurations which would ensure the achievement of the goals in Part 3 of this Plan. While the intention of the State Telecommunications Modernization Plan is toward the provision of advanced broadband services, the RUS borrower member companies do not intend to achieve this objective at the expense of the reliability or affordability of basic telephone service. It is the intent of the RUS borrower member companies to maintain at least current actual levels of basic service reliability and to meet or exceed Washington Utilities and Transportation Commission (WUTC) mandated minimum reliability levels for voice telecommunications service. As a part of this commitment to basic service reliability, it is the intention of the RUS borrower member companies to provide an alternative source of power for a reasonable time period where economically and technologically feasible to ensure reliable voice service in the event of electric utility power outage.

Identification of Telecommunications Providers Covered by the Plan

The telecommunications providers covered by this plan are the RUS Borrowers in Washington state:

<u>RUS Borrower</u>	<u>Number</u>
Asotin Telephone Company	539
Cowiche Telephone Company	543
Hood Canal Telephone Company	541
Inland Telephone Company	534
Inter Island Telephone Company (PTI)	540
Kalama Telephone Company	544
Lewis River Telephone Company	503
Mashell Telecom	527
Pioneer Telephone Company	526
St. John Telephone Company	533
Tenino Telephone Company	537
Toledo Telephone Company	538
Wahkiakum West Telephone Company	535
Yelm Telephone Company	529

Emerging Technologies

The design of the network provided by Telecommunications Providers shall allow for the expeditious deployment and integration of such emerging technologies as may, from time to time, become commercially and economically feasible.

Medical Links and Distance Learning Services Tariffs

The Plan shall allow Telecommunications Providers, working with customers and the WUTC, as appropriate, to deploy medical link and distance learning services at affordable rates. These services will be available upon customer request, under tariffs as necessary, and with prices that are consistent with cost and pricing principals established by the WUTC and Washington state law. In most, if not all cases, the provision of medical link and distance learning services will require interconnection with a carrier that is not subject to or bound by this Plan. To the extent that those carriers charge rates or an individual company's actual costs, call into question the affordability of the service, the Telecommunication Providers will work with the WUTC and the Washington State Legislature to develop support mechanisms for providing these services in rural areas.

Uniform Deployment

Only the minimum feasible interval of time shall separate availability of the services in rural and nonrural areas if the services cannot be deployed at the same time.

Requirements for Reliable Powering

This Plan requires reliable powering of ordinary voice telephone service operating over those portions of the telecommunications network which are not network powered. In the event of electric utility power outages, an alternative source of power must be available for a reasonable time period to ensure reliable voice service. Borrowers will maintain the existing reliability levels for telecommunications services.

Short-term Requirements

The short-term requirements start date is the date one year after the date RUS approves this Plan.

All New Facilities providing Wireline Service after the short-term requirements start date, even if the construction began before such date, shall be constructed so that:

- every customer can be provided one-party service
- the New Facilities are suitable, as built or with additional equipment, to provide transmission and reception of data at a rate no lower than 1 megabit per second.

All switching equipment installed by a Telecommunications Provider after the short-term requirements start date shall be capable of:

- providing customer calling features; at a minimum, customer calling features must include call waiting, call forwarding, abbreviated dialing, and three-way calling.
- providing E911 service for areas served by the Telecommunications Provider when requested by the government responsible for this service.

Counties in the State of Washington are to develop plans and implement E911 statewide by December 31, 1998. All existing switching equipment will be capable of providing E911 service by December 31, 1998.

Medium-term Requirements

The medium-term requirements start date is the date six years after the date the RUS approves the Plan.

All New Facilities providing Wireline Service after the medium-term requirements start date, even if the construction began before such date, shall be constructed so that every customer can be provided one-party service.

All New Facilities providing Wireline Service after the medium-term requirements start date, even if the construction began before such date, shall be capable, as built or with additional equipment, to provide transmission and reception of voice, data and video services. This deployment will be to provide the capability for the transmission of video images which are capable of "entertainment quality" product distribution to customers who desire it.

Long-term Goals

While these goals are suggested but not required, a Telecommunication Provider shall work towards:

- the elimination of party-line service
- universal availability, upon request of digital voice and data service that provides transmission and reception of high bit rate data (no less than 1 megabit per second); and
- video transmission service capable of depicting a reasonable representation of motion. The frame rate, resolution, and other measures of audio and video quality will meet standards such as those of the National Television Standards Committee, the Motion Picture Experts Group or other comparable standards.

Part 5 - Plan Developer

This plan was developed by a majority of the RUS Borrowers in Washington through the coordination of the Washington Independent Telephone Association. The authorized representative for the RUS Borrowers is:

Mr. Terry Vann

Washington Independent Telephone Association

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(360) 352-5453

Part 6 - Plan Submission/Authorization

The State Telecommunications Modernization Plan for the state of Washington is hereby submitted by the authorized representative and RUS approval is requested. Three copies of the proposed plan are provided herewith. Signature pages are attached for the RUS borrowers that developed and affirm the submission of Washington state's Plan.

The undersigned have reviewed and affirmed the foregoing RUS State Telecommunications Modernization Plan for the state of Washington.

Asotin Telephone Company

By: [Signature]

Cowiche Telephone Company

By: _____

Hood Canal Telephone Company

By: Richard Beecher

Inland Telephone Company

By: [Signature]

Inter Island Telephone Company

By: _____

Kalama Telephone Company

By: [Signature]

Lewis River Telephone Company

By: [Signature]

Mashell Telecom, Inc.

By: [Signature]

Pioneer Telephone Company

By: _____

St. John Telephone Company

By: _____

~~Teleso~~
~~Teleso~~ Telephone Company

By: [Signature]

~~Teleso~~
~~Teleso~~ Telephone Company

By: [Signature]

Wahkiakum West Telephone Company

By: [Signature]

Yelm Telephone Company

By: [Signature]