

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Petition of Computer 5, Inc.            )  
d/b/a LocalTel Communications and d/b/a                )  
SkyFi Wireless Internet for Relinquishment of        )  
Eligible Telecommunications Carrier                    )  
Designation Pursuant to 47 U.S.C. § 214(e)(4).        )  
  )  
  )

Docket No. \_\_\_\_\_

**PETITION OF COMPUTER 5, INC. D/B/A LOCALTEL COMMUNICATIONS AND  
D/B/A SKYFI WIRELESS INTERNET FOR RELINQUISHMENT OF ELIGIBLE  
TELECOMMUNICATIONS CARRIER DESIGNATION PURSUANT TO  
47 U.S.C. § 214(e)(4)**

Computer 5, Inc. d/b/a LocalTel Communications and d/b/a SkyFi Wireless Internet (“LocalTel”) respectfully submits this petition (“Petition”) for relinquishment of its eligible telecommunications carrier (“ETC”) designation in the State of Washington to the Washington Utilities and Transportation Commission (“Commission”). This Petition is made pursuant to 47 U.S.C. §214(e)(4), 47 C.F.R. § 54.205(a), and Washington Administrative Code (“WAC”) 480-07-370(3). As explained herein, under the circumstances presented here, federal law requires that the Petition be granted because LocalTel meets all applicable requirements for ETC relinquishment.

**I. COMMUNICATIONS REGARDING THIS PETITION**

All communications and correspondence concerning this Petition should be directed to:

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## II. BACKGROUND

On January 31, 2019, the Commission issued Order No. 01 in UT-180763, designating LocalTel as an ETC for purposes of receiving federal high-cost support and low income (Lifeline) universal service support in five counties<sup>1</sup> in central and eastern Washington: Adams, Chelan, Douglas, Grant and Lincoln. On May 20, 2021, the Commission issued Order No. 02 in Docket UT-180763, recognizing a provisional award by the Federal Communications Commission (“FCC”) of Rural Digital Opportunity Fund (“RDOF”) support to provide services to eligible customers in census blocks that fell within the geographic boundaries of three counties, Chelan, Douglas, and Grant, where LocalTel already held the required ETC designation. That order did not change LocalTel’s ETC designated service area. As the order noted, the Commission had already designated Computer 5 as an ETC “throughout all three of the counties in which the Company has been provisionally awarded RDOF support.” Order No. 02 in Docket UT-180763, ¶ 9.

On June 11, 2024, Ziplly Fiber Northwest, LLC and Ziplly Wireless, LLC (collectively, “Ziplly Fiber”) filed petitions with the Commission to obtain ETC designation throughout LocalTel’s ETC designated service area.<sup>2</sup> In those petitions, Ziplly Fiber informed the Commission that the acquisition of LocalTel’s assets—including its high-cost awards and related

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<sup>1</sup> LocalTel’s ETC designation covers all exchanges in these counties with the exception of the Stehekin exchange in Chelan County.

<sup>2</sup> Ziplly filed two substantively similar amended petitions for designation as an ETC in Docket Nos. UT-240183 and UT-240233 (Ziplly Wireless, LLC and Ziplly Fiber Northwest, LLC, respectively).

obligations in Washington State— would enable it to provide high-cost support and Lifeline service to eligible customers within an ETC designated service area that was co-extensive with LocalTel’s ETC service area.<sup>3</sup> On July 18, 2024, the FCC issued a Public Notice authorizing the transfer of LocalTel’s assets and an international section 214 authorization for global facilities-based and resale services to Ziplly Fiber’s indirect parent Northwest Fiber, LLC.<sup>4</sup> On July 25, 2024, the Commission granted the petitions filed by Ziplly Fiber, granting it ETC designation throughout LocalTel’s ETC designated service area.

As a result of LocalTel’s transaction with Ziplly Fiber, which closed on September 30, 2024, substantially all of LocalTel’s assets, including all customer contracts and customer relationships, wireless licenses, and other rights and property were transferred to Ziplly Fiber. Ziplly Fiber acquired LocalTel’s CAF II and RDOF assets, unused CAF II and RDOF support, and future CAF II and RDOF support. Ziplly Fiber also assumed the obligation to complete LocalTel’s CAF II and RDOF deployments in LocalTel’s ETC designated service area, all of which is now included within Ziplly Fiber’s own ETC designated service area.<sup>5</sup> The Commission staff anticipated that LocalTel would file to relinquish its ETC designation after close of the

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<sup>3</sup> See *Amended Petition of Ziplly Wireless, LLC for Designation as an Eligible Telecommunications Carrier and Request for Waiver of WAC 480-123-(1)(d)*, UT-240183, p. 1; see also *Amended Petition of Ziplly Fiber Northwest, LLC for Designation as an Eligible Telecommunications Carrier and Request for Wavier of WAC 480-123-(1)(d)*, UT-240233, pp. 1-2, p. 7, ¶ 17.

<sup>4</sup> ICFS File No. ITC-ASG-20240314-00049, International Authorizations Granted, Section 214 Applications (47 CFR §§ 63.18, 63.24); Section 310(b) Petitions (47 CFR § 1.5000), Report No. TEL 02379, DA No. 24-697, Public Notice (July 18, 2024), available at [https://licensing.fcc.gov/ibfswweb/ib.page.FetchPN?report\\_key=29216950](https://licensing.fcc.gov/ibfswweb/ib.page.FetchPN?report_key=29216950), at 6.

<sup>5</sup> *Granting Petition for Designation as Eligible Telecommunications Carrier with Conditions and Exemption from Rule*, Order No. 1, Docket No. UT-240183 (Jul. 25, 2024) (“*Ziplly Wireless ETC Order*”); *Granting Petition for Designation as Eligible Telecommunications Carrier with Conditions and Exemption from Rule*, Order No. 1, Docket No. UT-240233 (Jul. 25, 2024) (“*Ziplly Fiber Northwest ETC Order*”).

aforementioned transaction.<sup>6</sup> LocalTel also committed to relinquish its ETC designation as part of the assignment application before the FCC.<sup>7</sup>

### **III. LOCALTEL’S RELINQUISHMENT OF ITS ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

As mentioned above, LocalTel has transferred all customer relationships and contracts to Zply Fiber, along with all of its facilities and resale arrangements used to provide service within LocalTel’s ETC designated service area. As a result of the aforementioned transactions and events, LocalTel is no longer able to continue as an ETC in its designated service area in Washington. LocalTel, therefore, submits this Petition to relinquish its ETC designation in Washington effective March 31, 2025.

#### **A. The WUTC must allow LocalTel to relinquish its ETC designation because LocalTel is providing advance notice and another ETC serves same areas.**

Under applicable federal law, the Commission must permit LocalTel to relinquish its ETC designation if: (1) at least one other ETC is serving the relinquished area; (2) the ETC seeking relinquishment provides advance notice to the relevant state commission.<sup>8</sup>

The relevant FCC rule, 47 C.F.R. § 54.205(a), provides, in relevant part:

(a) A state commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the state commission of such relinquishment.

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<sup>6</sup> See Order 01 in Docket UT-240183 (“Once the transaction is complete, LocalTel will not have facilities to meet RDOF and CAF II obligations and it is Staff’s understanding that LocalTel will voluntarily relinquish its ETC designation”).

<sup>7</sup> ICFS File No. ITC-ASG-20240314-00049, September 11, 2024, Supplement, at 1.

<sup>8</sup> 47 C.F.R. § 54.205(a) (West); 47 U.S.C. § 214(e)(4).

The statutory provision on point, 47 U.S.C. § 214(e)(4), echoes the same two requirements:

(4) Relinquishment of universal service

A State commission ... shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission ... of such relinquishment.

Here, LocalTel's petition for relinquishment of its ETC designation in Washington must be granted under federal law because: (1) there is currently more than one ETC serving the designated service area; (2) LocalTel is providing advance notice to the Commission of such relinquishment.

**B. Federal law does not require additional Commission action here, where LocalTel has no customers to migrate to other carriers.**

Federal law also directs the Commission to take certain actions when permitting a relinquishing ETC to cease service to customers:

(b) Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the state commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the state commission approves such relinquishment under this section, within which such purchase or construction shall be completed.

The statutory requirement is essentially identical. In relevant part, 47 U.S.C. § 214(e)(4) provides:

Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible

telecommunications carrier, the State commission ... shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission ... shall establish a time, not to exceed one year after the State commission ... approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

Here, all “customers served by the relinquishing carrier,” that is, LocalTel’s customers in the ETC area, have already been transferred to Ziplly Fiber as part of the transactions referenced above. As of today, there are no customers served by LocalTel in Washington. Therefore, the provisions directing the Commission to “require the remaining [ETC(s)] to ensure that all customers served by the relinquishing carrier will continue to be served,” requires no further Commission action. Nor must the Commission establish a timeline for completion of the purchase, which the Commission is already familiar with from the filings in Docket Nos. UT-240183 and UT-240233, and which did not involve construction as reflected in the Commission’s findings that upon completion of the transaction with LocalTel, Ziplly Fiber “meets all applicable regulatory requirements to be designated as an ETC,” which included “technical capabilities to provide high-cost and Lifeline service.” *See Ziplly Wireless ETC Order*, at para. 4, and *Ziplly Fiber Northwest ETC Order*, at para. 4.

#### **IV. CONCLUSION**

LocalTel has demonstrated that it meets the requirements for relinquishment under 47 U.S.C. §214(e)(4) and 47 C.F.R. § 54.205, thereby obligating the Commission to permit LocalTel to relinquish its ETC designation. Accordingly, consistent with all applicable requirements, LocalTel respectfully requests the Commission expeditiously grant this Petition to relinquish LocalTel’s ETC designation in Washington, effective as of March 31, 2025.

Dated this 8th day of January, 2025

Respectfully submitted,

Computer 5, Inc. d/b/a LocalTel Communications and  
d/b/a SkyFi Wireless Internet



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