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May 24, 2013

## **VIA E-FILING**

Mr. Steven V. King, Acting Executive Director and Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, WA 98504-7250

Re: Inland Telephone Company - Attachment to WN U-7 Sheet No. 504 as First Revision of Sheet No. 504 Canceling Original Sheet No. 504

Dear Mr. King:

Attached you will find a copy of the replacement to the attachment to Sheet No. 504 of WN U-7. The purpose of this filing is to amend the service area for the Roslyn Exchange served by the Inland Telephone Company.

The area that is proposing to be removed from the Inland Telephone Company service area is the area generally known as the Suncadia Resort.

The reason for this filing is that under the new Federal Communications Commission (FCC) rules from the USF/ICC Transformation Order, <sup>1</sup> the FCC adopted a quantile regression analysis to limit certain support mechanisms depending upon certain factors. One of the factors in the quantile regression analysis is population density. The Suncadia Resort area is denser in population than the remaining portion of the Roslyn Exchange. The effect that this increased density might have on Inland Telephone Company is unknown, but it seems prudent to take action to address what may be an

<sup>&</sup>lt;sup>1</sup> In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform - Mobility Fun, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011)(USF/ICC Transformation Order)

Steven V. King May 24, 2013 Page 2 of 4

unintended consequence of including the Suncadia area within the exchange boundaries. The reason that it is not presently known what effect keeping the Suncadia area within the Roslyn Exchange would have is that the quantile regression analysis is modified on an annual basis. Therefore, a company that is currently not affected by the quantile regression analysis for 2013, could be adversely affected in 2014 or a later year.

As the Commission is aware, Inland cannot serve the Suncadia Resort because the Suncadia Resort owners refuse to grant Inland Telephone Company an easement to allow Inland to place communications facilities within this privately owned resort. These matters were the subject of a hearing in Docket No. UT-050606.

The outcome of the UT-050606 docket was that the Commission denied Inland's request at that time to remove the Suncadia Resort area from the Roslyn Exchange. One of the driving factors for the Commission's decision was the concern that the entity serving the resort might fail and leave the resort area without telecommunications service. In fact, after the Commission's order, the entity that was serving the resort did, in fact, suffer economic failure and filed bankruptcy. However, rather than allowing Inland to serve the area, the owners of Suncadia Resort chose another entity, a voice over internet protocol provider, and continued to deny Inland Telephone Company access to the area.

It should be noted that the telecommunications provider servicing the Suncadia Resort area provides its customers with Cle Elum associated numbers and the area is served as though it were part of the Cle Elum exchange, even though it is not.

As a result, it appears that there is no continuing need for Inland Telephone Company to include the Suncadia Resort area within the Roslyn Exchange. To do so may produce unintended consequences under the FCC's quantile regression analysis to the detriment of other customers that Inland serves both within the Roslyn Exchange and other exchanges in the State of Washington.

As a result, Inland Telephone Company respectfully requests that its tariff revision to remove the Suncadia Resort area from the boundaries of the Roslyn Exchange be granted. Attached are a revised exchange map for the Roslyn Exchange and a description of the area to be removed.

Steven V. King May 24, 2013 Page 3 of 4

Thank you for your attention to this matter.

RICHARD A. FINNIGAN

RAF/cs Enclosures

cc:

James Brooks (via e-mail) Greg Maras (via e-mail) Tana Brockett (via e-mail) Doug Weis (via e-mail) Nathan Weis (via e-mail)