

Agenda Date: November 22, 2023
Item Numbers: A4 through A18

Dockets: UT-230581 (Toledo), UT-230582 (Skyline), UT-230604 (Whidbey), UT-230607 (Western Wahkiakum), UT-230608 (Pend Oreille), UT-230610 (Hood Canal), UT-230615 (Asotin, Lewis River, and McDaniel), UT-230616 (Mashell), UT-230617 (Inland), UT-230618 (Kalama), UT-230619 (Tenino), UT-230622 (Pioneer), UT-230625 (Westgate), UT-230632 (St. John), and UT-230635 (Consolidated)

Staff: Sean Bennett, Senior Regulatory Analyst
Jonathon Church, Regulatory Analyst
Jing Roth, Deputy Director - Telecommunication, Water, and Transportation
Jeff Roberson, Assistant Attorney General

Recommendation

Enter an order in each of the 15 dockets, directing the distribution from the state universal service fund to each of the companies; and in the amounts listed in Attachment 1, no later than December 31, 2023.¹

For Consolidated Communications of Washington Company, LLC, condition the distribution with a requirement: the Company must return to the Commission the distributions for 2023 and 2024, a prorated amount for each UTC broadband location where it has failed to deploy 25/3 Mbps or faster broadband availability by June 30, 2024.

I. Background

During 2019, the legislature revised RCW 80.36.610 through .700 to change the purpose of, and extend, the State Universal Communications Services Program (State USF Program or program).² The State USF Program provides direct financial support to Washington's small incumbent Class B Telecommunications companies that have adopted a plan to provide, enhance, or maintain broadband services in high-cost rural areas of Washington.³ The

¹ RCW 80.36.650(2) allows that if less than five million dollars is expended in any fiscal year, the unexpended portion *must be carried over* to subsequent fiscal years and be available for program expenditures. This fiscal year, \$4,850,000 *is available* for distribution from the State USF Program based on the current appropriation and allotment.

² RCW 80.236.650(1) provides that "The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission and the provision, enhancement, and maintenance of broadband services, recognizing that, historically, the incumbent public network functions to provide all communications services including, but not limited to, voice and broadband services."

³ In General Order R-598, Docket UT-190437 the Commission established minimum standards of 25 megabits per second download and 3 megabits per second upload (25/3 Mbps) for service to be considered high-speed broadband for the purpose of the State USF Program. At the time, both

Commission is allotted \$5 million for the remaining year of the program.⁴

Under the State USF Program, a qualifying company must include in its petition a “broadband plan” that maintains, provides, or enhances broadband service within the provider’s service area.⁵ WAC 480-123-110 also requires a petitioning company to provide: an unsworn statement that the company complies with accounting, cost allocation, and cost adjustment rules, an unsworn statement that the company will continue to offer communications and broadband services, an unsworn statement that it is in compliance with the FCC’s interim deployment obligation, and among other requirements, that it satisfies one of four eligibility criterion in order to be eligible to receive support.⁶

In accordance with program rules, each company filed a petition and supporting information and exhibits, including a broadband plan, on or near August 2, 2023.⁷ Commission staff’s (Staff) review and analysis of these requests are based on the completeness of a company’s petition, its selection and satisfaction of an eligibility criterion, and the company’s proposed plan to provide, maintain, or enhance broadband services in its service area.

Washington State Broadband Office and the Federal Communications Commission classified broadband as 25/3 Megabits per second. See [RCW 43.330.536: Broadband office—Goals. \(wa.gov\)](#) and the FCC’s 2015 (and subsequent) [Broadband Progress Report](#).

⁴ This is the tenth and final year of the program. See: *General Order R-598 in Docket UT-190437, dated May 27, 2020.*

⁵ To the extent applicable, a company’s broadband plan to provide, maintain or enhance service should include:

- (i) Multiyear investment plan.
- (ii) Specific project(s) that are projected to provide or enhance broadband services at speeds required by the commission or the Federal Communications Commission. Project information will include an estimated timeline, geographic location, number of locations passed, and upload and download speeds.
- (iii) A plan for maintenance of broadband services in the provider's service area.
- (iv) A description for how the provider will enhance broadband services in its service area; and
- (v) Any supporting information that the commission requests to assist its review and analysis of the provider's broadband plan.

⁶ On October 30, 2023 the Federal Communications Commission released [Public Notice DA 23-1025](#) authorizing eight SUSF recipient companies to receive Enhanced A-CAM support starting no sooner than January 1, 2024. These companies are required to deploy 100/20 Mbps or faster to 100 percent of the locations within their study area by the end of 2028. It is Staff’s understanding that this is a federal enforceable commitment, and unserved or underserved locations within these study areas will NOT be eligible for BEAD funding for this reason. The eight companies are listed on Attachment 1.

⁷ Many of the companies revised the certifications to unsworn statements as set forth in RCW 5.50.050 and required by WAC 480-123-110. Unless otherwise noted in the company section, revised petitions were solely for this purpose.

SUSF companies are required to file their broadband availability data with the Federal Communications Commission. General Order R-598 requires SUSF companies to file the same granular broadband availability data with the UTC.⁸ Assessing broadband availability will help direct support to areas that maintain, enhance, or provide broadband service. Staff analyzed the data and worked with each Company to understand and ensure that its reported broadband availability is consistent with its network's actual availability. The Companies and Staff met numerous times to work through and understand this new matching process. Companies have generally shown a willingness to dig into their data to confirm that it is accurate and update their records and processes moving forward. As a result of the technical analysis, companies have overwhelmingly decided to invest in GIS software, make changes to their billing systems, hire consultants, and make process improvements so that local and national policy leaders have an accurate understanding of broadband availability throughout areas supported by the SUSF Program.

Staff prepared **Attachment 1** to summarize the locations and detail the amount of support each petitioning company may receive, based on fund availability and its pro rata share.⁹ The number of UTC Broadband Buildout obligations for each company is a direct result of the size of the fund, its pro rata share, and its cost to serve. In the event of a larger or smaller fund size, the broadband buildout obligation would increase or decrease proportionately.

II. Discussion

This year Staff's analysis is based on i.) each company's petition, ii.) its selected eligibility criterion, iii.) its compliance report for the previous year, iv.) its broadband plan, and v.) its responses to Staff's data requests. This analysis requires Staff to verify and confirm each petitioner's eligibility annually. The review of the compliance reports verified the number of deployment locations (for eligibility criterion two companies) and provides insight into how each company acted to maintain, enhance, and provide voice and broadband services during the 2023 fiscal year. Both the number of locations and the amount of support are subject to the amount of funds appropriated for the current fiscal year ending on June 30, 2024.

The details of Staff's analysis are described below:

I. Eligibility Criterion One Analysis:

No companies filed a petition under criterion one. This is the only option that requires a rate of return analysis consistent with prior iterations of the program. The other three criteria are more focused on building out additional locations or maintaining existing infrastructure, as further explained below.

⁸ See Docket UT-230043.

⁹ WAC 480-123-120(2) specifies the amount of support a wireline provider may receive.

II. Eligibility Criterion Two Analysis:

Each of the seven companies listed in the table below filed a petition and certified its commitment to deploy broadband services to the number of locations as required by the Commission’s order in UT-190437.¹⁰ Each of the companies filed its annual Compliance Reports on July 1, which includes an explanation of fund usage as well as specific coordinates where 25/3 Mbps (or faster) became available during the 2023 fiscal year, where appropriate. Staff used this information to understand and visualize each Company’s deployment progress by creating deployment summaries and maps showing specific deployment locations as shown in Attachment 2.¹¹ These locations are in addition to any locations required by the Federal Communications Commission (FCC). Staff calculated the proposed distribution amounts, as shown below, based on each company’s pro rata share of the available support for the 2024 fiscal year.

Company	UTC Required Broadband Service Locations FY21-24	Remaining 2023 UTC Broadband Obligation	Remaining 2024 UTC Broadband Obligation	FY2024 Annual Support
Consolidated	398	184	20	\$1,077,515
Inland	254	Satisfied	Satisfied	\$ 401,899
Pend Oreille	228	Satisfied	Satisfied	\$ 356,117
Asotin (TDS)	26	Satisfied	Satisfied	\$ 73,080
McDaniel (TDS)	350	Satisfied	Satisfied	\$ 236,864
Lewis River (TDS)	264	Satisfied	Satisfied	\$ 173,032
Westgate	70	70	Satisfied	\$ 103,242

The staff’s review of the companies’ petitions showed that each petitioner provided a broadband plan to deploy broadband services to locations where 25/3 Mbps capability is not available by the Company.

Each company is responsible for meeting their UTC broadband buildout obligation.¹² Six of the companies have already met their UTC broadband buildout obligation. However, Consolidated has not yet met its June 30, 2024, UTC broadband commitment.

¹⁰ Each company has a specific UTC Deployment Obligation based on its cost benchmark and the amount of anticipated support each company is potentially eligible to receive through June 30, 2024.

¹¹ As this is not a direct grant program, these locations are not explicitly funded with SUSF support, however, SUSF support helps make it possible for these companies to deploy broadband consistent with their UTC broadband buildout requirement and requires each company to continue offering voice service.

¹² RCW 80.36.650(2).

Out of an abundance of caution, Staff recommend, and Consolidated has agreed, that the Commission impose a condition in its order approving this year's distribution that the company must return a prorated portion of the distribution in the event it fails to meet its UTC broadband buildout obligation by the 10th year of the program.¹³ That portion would be a prorated amount for the 2023 and 2024 SUSF distributions, with the company returning a proportional share based on the percentage of obligated UTC broadband locations to which the company fails to deploy broadband by June 30, 2024.¹⁴ Consolidated has filed compliance reports illustrating the work it has undertaken to deploy broadband and filed broadband plans that describes specifically how it will continue to advance broadband availability and to achieve their commitment prior to June 30, 2024.

Staff's summary of the compliance reports and Staff's analysis of the proposed broadband plans for each company are described below:

Consolidated Communications of WA

On July 3, 2023, Consolidated filed its SUSF compliance report and filed a revised report on August 16, 2023.¹⁵ In its report, Consolidated indicated that the three projects scheduled to be completed by June 30, 2023 were indeed successfully completed and exceeded the original estimate of 155 locations by nine, totaling 164 additional locations. Consolidated has now deployed to 378 locations out of its total UTC obligation of 398. The company plans to meet its UTC obligation with the completion of two projects outlined below. This project is scheduled to begin in the third quarter of 2023 and is estimated to be completed in the first quarter of 2024. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

On August 3, 2023, Consolidated filed its petition seeking SUSF support and filed a revised petition on October 19, 2023.¹⁶ The company's revised broadband plan includes two projects, one which is recently been completed and deployed fiber to ten locations. The other project will deploy conduit and fiber to an existing remote that will be upgraded for VDSL2 capability and

¹³ WAC 480-123-140 allows that "Any eligible providers authorized to receive program support that fail to comply with public interest obligations under federal or Washington law or any other terms and conditions established by the commission may be subject to further action, including the commission's existing enforcement procedures and penalties, reductions in program support amounts, potential revocation of program eligibility designation, and suspension from, or disentitlement to future participation in the program.

¹⁴ Put mathematically, the amount the company would return is equal to the dollar amount of the distributions for 2023 and 2024 multiplied by the number of locations to which the company fails to deploy broadband divided by the total number of deployment locations in the company's broadband plans.

¹⁵ Consolidated's revised compliance report includes additional locations used to meet a portion of its UTC broadband buildout obligation and updated "Use of Funds" and subscribership information.

¹⁶ Consolidated filed a revised broadband plan and unsworn statements on October 16 and a revised petition and certification on October 19.

will increase broadband speed availability to 14 locations. Consolidated anticipates completion of these two projects by December 31, 2023, and will provide coordinates no later than its July 1, 2024, Compliance Report. Consolidated deployed its 2-gig fiber network to the city of Ellensburg which now connects 3,000 homes and businesses and continues to work with other state and municipal partners to plan and deploy fiber networks to rural areas.

Inland Telephone

On June 13, 2023, Inland filed its SUSF compliance report. In the report, Inland states that it continues to enhance its broadband capability by expanding fiber to the premise (FTTP) into the more remote areas of the Uniontown exchange and continuing to execute a multi-phase plan within the Dewatto exchange. During the 2023 fiscal year, Inland deployed fiber to 65 units and deployed copper, capable of 25/3 Mbps, to 13 units. In the first six months of 2023 the company purchased VDSL Cabinets, engineered construction phases, and installed fiber-fed cabinets which will allow it to offer 50/5 Mbps service at Tee Lake in the Dewatto exchange. Inland met its 254 location UTC broadband buildout obligation during the 2022 fiscal year. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

On July 24, 2023, Inland filed its petition seeking SUSF support, and filed revised certifications on September 26, 2023. The company's broadband plan details how it will enhance and provide broadband within its study area. The company continues to execute its multi-phase plan within the Dewatto Exchange and has fiber optic backbone in place to deploy FTTP to approximately 132 locations. Throughout its study area, Inland continues to install FTTP to newly formed locations within its FTTP network and maintains its network for existing voice and broadband service.

Pend Oreille

On July 12, 2023, Pend Oreille filed its initial SUSF report and filed a revised report on August 2, 2023. In the report, Pend Oreille states that it has utilized SUSF Program funds to cover maintenance costs, upgrade electronic equipment for fiber to the home and placed fiber into service. In late 2022, the company completed the New Calix E3 site at Bud Porter. In the first six months of 2023 Pend Oreille began work on two projects, Fiber to the Home (FTTH) Project 1 in Usk, Washington and a new fiber optic cable from Ione central office to Metaline DLC site. These projects resulted in 100/20 Mbps broadband availability to 58 locations and 1 Gbps broadband availability to 60 locations. As a result of these, and prior investments, 712 non-ACAM locations now have 25/3 Mbps (or better) broadband availability. In addition, Pend Oreille is planning to complete FTTH Projects 2, 3, and 4 south of Ione before the years end. These upgrades allowed the company to maintain and enhance voice and broadband service. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

On July 25, 2023, Pend Oreille filed its petition seeking SUSF support, and filed revised certifications on October 24, 2023. In the broadband plan, the company details projects that will deploy broadband availability to an additional 145 locations with speeds ranging from 50/10 Mbps to 1,000/250 Mbps by the end of the year. In addition, Pend Oreille is planning to

complete FTTH Projects 2, 3, and 4 south of Ione before the years end and details several projects that are waiting on state highway permits. The company continues to incur normal operating expenses to maintain its current voice and broadband services.

Asotin, Lewis River, and McDaniel (TDS)

On June 26, 2023, Asotin filed its SUSF report. In the report, Asotin states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. The company reports that during the 2022 calendar year it deployed broadband speeds of 25/3 Mbps or faster to 46 ACAM locations and 30 non-ACAM locations. Prior to 2022 these locations had speeds less than 25/3 or were not able to get TDS broadband service. During the first six months of 2023, Asotin invested in 14 major projects to enhance, maintain, or expand its broadband services. Moving forward, the company plans to continue the deployment of their major projects and continue its routine capex projects including fiber drops, cards, and mandatory facility moves.

On June 26, 2023, Lewis River filed its SUSF report. In the report, Lewis River states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. The company reports that during the 2022 calendar year it deployed broadband speeds of 25/3 Mbps or faster to 133 ACAM locations and 259 non-ACAM locations. Prior to 2022 these locations had speeds less than 25/3 or were not able to get TDS broadband service. In the first six months of 2023, the company reports that they have invested in 27 major projects. Moving forward, Lewis River states that they will continue working on all major projects as needed.

On June 26, 2023, McDaniel filed its SUSF report. In the report, McDaniel states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. The company reports that during the 2022 calendar year it deployed broadband speeds of 25/3 Mbps or faster to 199 ACAM locations and 282 non-ACAM locations. Prior to 2022 these locations had speeds less than 25/3 or were not able to get TDS broadband service. During the first six months of 2023, McDaniel invested in 29 major projects to enhance, maintain, or expand its broadband services. Moving forward, McDaniel plans to continue the deployment of their major projects, routine maintenance, cable additions, and other projects as needed.

Based on Staff's review and several conversations with the companies, Staff believes the report meets the requirements of WAC 480-123-130.

The TDS companies (Asotin, Lewis River, and McDaniel) filed its joint petition seeking SUSF support on July 28, 2023, and filed a revised petition on October 2, 2023. In its combined broadband plan, the companies will deploy broadband to 172 ACAM locations and 219 non-ACAM locations through 2023. These projects include pushing fiber deeper into the network, adding new nodes, upgrades to cabinet equipment and positions, and some vectoring. The TDS companies attest that these projects all play a role towards meeting the Washington State

Broadband Office 2028 goal of 150 symmetrical and plan to further deploy broadband in the future.

Westgate

On July 3, 2023, Westgate filed its SUSF compliance report and filed a revised report on September 18, 2023, to provide an update to its use of funds and inform the Commission that it met its UTC broadband buildout obligation. Westgate reports that it has completed the construction and provisioning of three tower sites at Buehler’s Bluff, the Westgate headquarters, and Stehekin Landing Earth Station site. The company also reports that the Stehekin warehouse and shed repair has been completed. The damage was caused by the winter storms from the previous program year. In addition, Westgate provided coordinates for 70 locations that now have broadband availability of 25/3 Mbps or faster, as such, it has now met its UTC broadband deployment obligation. Based on Staff’s review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Westgate filed its petition seeking SUSF support on August 1, 2023, and filed a revised petition and broadband plan on October 23, 2023. The company’s three fixed wireless towers will provide fixed wireless broadband to all the remaining locations and will deploy repeaters to serve locations without direct line of sight. Westgate currently offers 25/3 Mbps broadband due to bandwidth constraints, however, it has finalized all permits and engineering to complete a terrestrial backhaul project that will reduce costs, increase broadband speeds, provide redundancy, and increase available bandwidth. Westgate anticipates completing this project by December 31, 2024.

III. Eligibility Criterion Three Analysis:

There are six companies requesting a distribution from the program under criterion three. Staff calculated the proposed distribution amounts, as shown below, based on each company’s pro rata share of the available support for the 2024 fiscal year.

Company	FY2024 Annual Support
Kalama*	\$245,324
Pioneer	\$149,271
Skyline	\$114,209
Mashell	\$161,648
Tenino	\$239,345
Whidbey	\$782,875

*Kalama filed under eligibility criterion two the first two years of the revised program. Kalama filed under eligibility criterion three in the third and fourth year.

Each of the six companies filed a petition and certified that it has met the FCC’s total deployment obligations associated with federal high-cost support as of the date of the petition. Each company certified that since January 1, 2018, it deployed broadband to the number of broadband locations required by the Commission’s order in UT-190437. These companies invested recently, and substantially, to deploy broadband in a shorter timeframe than required by

the FCC and by the Commission. While already meeting its state and federal buildout requirements, these companies have provided broadband plans to maintain current services while continuing to deploy broadband service throughout its service area.

Staff's summary of the compliance reports and Staff's analysis of the broadband plan for each company are described below:

Kalama

On June 26, 2023, Kalama filed its SUSF compliance report, and filed a revised report on August 1, 2023.¹⁷ In the report, Kalama states that it is utilizing SUSF Program support to provide telecommunications and broadband services. Although the company has already met its federal high-cost and SUSF program obligations it continues to invest in infrastructure to expand its fiber optic-based services. In 2022, the company built expanded fiber that is capable of exceeding 25/3 Mbps to 120 locations and during the first six months of 2023 the company deployed fiber to additional 99 locations. Kalama anticipates deploying to an additional 370 locations by year end. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Kalama filed its initial petition seeking SUSF support on July 28, 2023, and filed a revised broadband plan on September 13, 2023. The company plans to continue investing in fiber optic-based infrastructure and anticipates being able to serve broadband with speeds up to 200 Mbps symmetrical to an additional 83 locations during the current fiscal year and an additional 130 locations by the end of 2024. Kalama continues to maintain its voice and broadband network and expects ongoing expenses associated with equipment maintenance and support contracts, repair/replacement of cable and wire facilities, maintaining and repairing back-up power sources, ALIT testing which analyzes cable facilities for indication of trouble or poor performance and network performance testing to ensure operation at acceptable levels.

Additionally, Kalama has won a Reconnect Grant from the United States Department of Agriculture Rural Utilities Service. The \$8,637,500 grant will deploy a Gigabyte Passive Optical Fiber Network and will provide service to 1,300 locations within the grant area. There are approximately 1,800+ additional locations in areas not funded by the Reconnect Grant and Kalama will continue to maintain and enhance service to these areas.

Pioneer

On June 26, 2023, Pioneer filed its SUSF compliance report, and filed a revised report on August 24, 2023.¹⁸ In the report, Pioneer states that it is in the process of converting subscribers from copper to fiber and converted 91 locations in 2022. Over the last fiscal year, the company continued repairing and maintaining the current infrastructure while also making payments on the outstanding payable that was used to help fund the FTTP construction. The company continues to invest in resources that will maintain and enhance voice and broadband services,

¹⁷ Kalama's revised compliance report includes revised availability and subscribership language.

¹⁸ Pioneer's revised compliance report revised language concerning broadband availability data and voice and broadband subscription data.

including but not limited to: FCC mandatory performance testing equipment, computer and SIP equipment related to robocalling mitigation, and ongoing plant under construction. In the first six months of 2023, the company converted an additional 52 costumers to fiber. Based on Staff's review and conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Pioneer filed its initial petition seeking SUSF support on July 31, 2023, and filed a revised broadband plan on October 18, 2023. In its Broadband Plan, the Company states that it completed converting existing subscribers from copper to fiber and 25/3 Mbps is available to nearly all of the locations within its study area. The company has met its goal and has increased its maximum broadband speed from 25/3 Mbps up to 100/50 Mbps and has the ability to increase speeds in the future. The Broadband Plan also provides an estimate of the repair and maintenance expenses (i.e., plant specific costs for outside plant and central office equipment, land, building and vehicle expenses) necessary to maintain the current level of service. The company continues making payments on the outstanding loan that was used to complete the FTTP project.

Skyline

On June 22, 2023, Skyline filed its SUSF compliance report. In the report, Skyline states that it completed Phase IIIA of its broadband plan and deployed fiber to 36 locations in late 2022, 14 more customers than originally estimated. The company undertook the engineering, secured the necessary permits, and has ordered the necessary materials for the Mount Hull 2023 project (formally noted as Phase 3A-3C) of its broadband plan which will bring fiber to an additional 30 locations. The company has indicated that it recently secured alternative T-1 circuits into its Silverton exchange. Without a new backbone into the exchange, the bandwidth remains limited. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Skyline filed its petition seeking SUSF support on July 31, 2023, and filed a revised petition and exhibits on September 15, 2023. Skyline began construction on its Mount Hull 2023 project, which will deploy fiber to 30 potential subscribers. The company has started engineering its Mount Hull 2024 project, which will deploy fiber to an additional 29 locations. These fiber locations will be capable of speeds up to 1 Gbps. Skyline incurs significant internet backbone connection costs to maintain service to the two non-continuous exchanges and continues to explore funding opportunities to the 63 locations within the Silverton area.

Mashell

On June 28, 2023, Mashell filed its SUSF compliance report, and filed a revised report on October 11, 2023.¹⁹ In the report, Mashell states that it continues to invest in tools and other work equipment to install fiber service, circuit equipment upgrades to transport network to improve broadband service, and fiber installations to upgrade to fiber from DSL. These investments gave Mashell the capability to provide gigabyte broadband speeds to 57 of its

¹⁹ Mashell's revised compliance report includes an update on its use of funds.

current customers.²⁰ During the second half of 2023, the company intends to continue to invest in general purpose, central office equipment, and outside plant infrastructure to further drive network upgrades. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Mashell filed its petition seeking SUSF support on July 28, 2023, and filed a revised petition on October 13, 2023.²¹ In its broadband plan, Mashell states that its fiber to the premises (FTTP) network provides 1G symmetrical service and the Company currently offers 25/3 Mbps to 49 percent of its 3,755 serviceable locations. Mashell plans to deploy FTTP to 52 percent of its locations by the end of 2023, 59 percent by the end of 2024 and 80 percent of its locations by 2027.²² Mashell will continue to deploy fiber and work to ensure that all addresses are contained within the company's reporting.

Tenino

On June 26, 2023, Tenino filed its SUSF compliance report, and filed a revised report on August 1, 2023.²³ In the report, Tenino states that it incurred repairs and maintenance expenses necessary to maintain the existing infrastructure. In addition to these typical expenses, Tenino continued to construct fiber optic-based broadband infrastructure capable of 25/3 Mbps or faster to 210 locations in 2022. During the first six months of 2023 Tenino built fiber infrastructure to 110 locations. The company plans to continue its fiber optic-based broadband build out to an additional 297 locations by the end of 2023. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Tenino filed its petition seeking SUSF support on July 28, 2023, and filed a revised broadband plan on September 13, 2023. In its broadband plan, Tenino states that it will deploy fiber optic-based broadband with speeds up to symmetrical 200 Mbps to an additional 104 locations by the end of the current fiscal year and 177 locations by the end of 2024. Tenino will continue investing and placing fiber backbone to alleviate congestion and provide capacity for future growth. The company states that it will continue to incur and pay operational expenses associated with its voice and broadband network. These expenses include, but are not limited to,

²⁰ The number of locations passed is based on the number of actual drops completed and does not consider locations where this broadband is "available" based on the FCC's definition of availability. Mashell continues to work on truing up its location database and estimates that broadband is "available" to an additional 12 percent of the locations within its study area.

²¹ Mashell revised the petition to include additional detail within its broadband plan.

²² Broadband availability deployment goals are lower than the previous goal for several reasons. First, Mashell realized that non-ILEC locations were included within prior estimates. Second, location goals include all locations within a project area, however, Mashell currently only reports on locations to which it completed a drop, this method does not account for approximately 12 percent of the locations within Mashell's study area. Third, Mashell underestimated the resources necessary to deploy fiber to the premise and based on this experience, revised its forward-looking projections.

²³ Tenino's revised compliance report includes revised availability and subscribership language.

equipment maintenance and support contracts with equipment and software vendors, performance testing, repair and replacement of cable and wire facilities, maintaining and repairing back-up power sources and locating underground facilities, removing plant growth, and ALIT testing which analyzes cable facilities for indication of trouble or poor performance.

Whidbey

On June 29, 2023, Whidbey filed its SUSF compliance report, and filed a revised report on August 25, 2023.²⁴ In the report, Whidbey states that it continues its major fiber to the street projects, completing Baily road, Cultus Bay road, Possession road, and two neighborhoods. In addition, the company continues drop work for new customers and has incurred operating expenditures (i.e., material and labor, equipment repair and maintenance, customer service requests, technical support, etc.) during the 2023 fiscal year. Whidbey reports that it deployed 25/3 Mbps to 432 locations and 1 Gbps / 500 Mbps to 285 locations in 2022 and 300 locations during the first six months of 2023. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Whidbey filed its petition seeking SUSF support on July 24, 2023, and filed a revised petition on September 22, 2023. The company provided a broadband plan and states that over the next year it anticipates substantial capital expenditures to further expand fiber-based broadband capability to approximately 900 locations while also expanding fiber along main corridors to expand quickly and efficiently in future years. In addition to deploying broadband to new locations the company plans to incur repair and maintenance expenses necessary to maintain and enhance voice and broadband services.

IV. Eligibility Criterion Four Analysis:

Four companies filed petitions requesting support under Criterion Four. Each of the four companies has certified that broadband service is available to 100 percent of locations within its respective service areas and has committed to making broadband service available to any new locations. Staff calculated the proposed distribution amounts, as shown below, that are based on each company's pro rata share of the available support for the 2024 fiscal year.

Company	FY2024 Annual Support
Hood Canal	\$137,780
St. John	\$84,541
Toledo	\$291,054
Western Wahkiakum	\$220,890

Each petitioning company has provided a broadband plan to maintain its existing infrastructure while continuing to invest in capital improvements to make available broadband at speeds faster than 25/3 Mbps.

²⁴ Whidbey's revised compliance report includes additional detail on the use of funds and revised subscribership and availability language.

Staff's summary of the compliance reports and Staff's analysis of the proposed deployment plans for each company are described below:

Hood Canal

On June 21, 2023, Hood Canal filed its SUSF compliance report. In the report, Hood Canal states that support from the SUSF program has contributed to the company's ability to maintain and enhance its voice and fiber services. The company has purchased work equipment tools, a server rack and computer equipment, central office batteries, and updated the building with land improvements. The process for a RUS loan has changed significantly and has taken much longer. This change has delayed the conversion process but is nearly finalized. Even with this slowdown, Hood Canal continues to work on other fiber to the home (FTTH) projects and fiber drops. The company has indicated that it deployed fiber to approximately 100 new locations and has continued converting coax cable subscribers to fiber to provide speeds up to 1 Gbps symmetrical. SUSF Program support allows the company to maintain the offerings of voice and broadband services and enables the company to enhance services where appropriate. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

On July 26, 2023, Hood Canal filed its petition seeking SUSF support, and filed a revised petition and exhibits on October 20, 2023. In its broadband plan, the company states there are currently 839 locations to convert from coax to fiber and Hood Canal estimates that it will convert 200 locations by the end of 2024. In addition, the company remains dedicated to maintaining its quality of service while enhancing its speeds through its FTTH projects. This maintenance includes plant specific expenses related to building costs, vehicle and equipment leases, computer support, central office switching, transport, performance testing monitoring, and fiber repairs.

St. John

On June 22, 2023, St. John filed its SUSF compliance report. St. John has deployed fiber to the premises (FTTP) to 100 percent of the locations within its study area. In its report, St. John states that it purchased a central office satellite switch, replaced obsolete optical network terminal equipment, and installed fiber drops. In addition, the company is working on upgrading the Optical Network Terminals (ONT's) at each home to offer speeds up to 1 Gbps symmetrical and conducted 4 fiber drops to new homes in their study area. Based on the Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

St John filed its petition seeking SUSF support on July 31, 2023. The company states in its broadband plan that it has deployed FTTP to 100 percent of the serviceable locations and offers symmetrical 250 Mbps broadband service to all locations within its study area. St. John remains committed to deploying broadband to any new locations and reports that it continues one to two fiber drops per year. To conduct these fiber drops, the company expects to purchase work equipment and central office equipment. St John St. John will continue to have repair and maintenance expenses to maintain its infrastructure (i.e., plant specific, switching support,

middle mile costs, performance testing and monitoring and underground fiber repairs) and will continue making payments on the loan that was used to complete its FTTP project.

Toledo

On July 5, 2023, Toledo filed its SUSF compliance report, filed a revised compliance report on August 31, 2023.²⁵ In the report, Toledo states that during the 2023 fiscal year it constructed 54 new fiber drops. In addition, the company has invested in new Optic Network Terminals (ONT's) for every location, adding the capability for Wi-Fi 6 and greater security for customer managed Wi-Fi 33. Toledo continues to make payments on its RUS loan used to deploy its fiber network. The company's serviceable locations are capable of 1 Gbps symmetrical service. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Toledo filed its petition seeking SUSF support on July 13, 2023, then filed a final revised petition on October 27, 2023.²⁶ In its broadband plan, Toledo states it has deployed fiber to the premises (FTTP) to 100 percent of the serviceable location within its study area and it made a commitment to deploy broadband services to any new locations. Over the last two years, the company has built fiber to over 80 new homes and expects this trend to continue. While fully deployed, Toledo continues to incur capital expenditures which includes fiber, vaults, and Calix broadband hardware and software. The company will continue to have repair and maintenance expenses to maintain its network, while also continuing to make payments on its RUS loan that was used to deploy FTTP.

Western Wahkiakum

On June 30, 2023, Western Wahkiakum filed its SUSF compliance report, and filed a revised report with updated subscribership and availability language on August 23, 2023. In the report, Western Wahkiakum states that it utilized support towards the maintenance of the existing network while also making investments to provide more reliable and faster broadband service in the Grays River and Naselle Exchanges. During the 2022-2023 program year, the company completed over half a dozen major projects, ranging from Construction of fiber optic facilities to the licensing and development of GIS mapping software and consulting, to name a few. Currently, Western Wahkiakum is 100 percent fiber to the premises (FTTP) and has successfully converted all customers over to fiber. Additionally, the company continues to maintain the open WI-FI hotspots that were established in response to COVID-19. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Western Wahkiakum filed its petition seeking SUSF support on July 25, 2023, and filed a revised petition updating its broadband plan on October 9, 2023. In its broadband plan, Western Wahkiakum states that finished transitioning locations from copper to fiber and now offers 300

²⁵ Toledo's revised compliance report includes an updated sworn statement, additional details about the use of funds, and updated language that it filed its Broadband Data Collection with the Commission.

²⁶ A revised petition was filed on October 10, 2023. The revisions include additional details to the company's broadband plan, updates to the petition and the company's certifications.

Mbps symmetrical service throughout its study area. The company has entered into support contracts with its primary equipment vendors to ensure the maintenance of existing platforms and the enhancement of the existing platforms, as they become available. Additionally, Western Wahkiakum anticipates future capital expenditures for line extensions and while continuing to make principal and interest payments on its RUS broadband construction loans.

III. Conclusion

Based on Commission Staff's review and analysis, all 17 petitioning companies have met the requirements of the State USF Program, as specified in WAC 480-123-100 and WAC 480-123-110. Commission Staff concludes and recommends that the commission enter orders in each docket directing the distribution of \$4,848,686 from the State USF Program fund to the companies; and in the amounts listed in Attachment 1, no later than December 31, 2023.

For Consolidated Communications of Washington Company, LLC, condition the distribution with a requirement: the Company must return to the Commission the distributions for 2023 and 2024, a prorated amount for each UTC broadband location where it has failed to deploy 25/3 Mbps or faster broadband availability by June 30, 2024.

Attachments **(1)** and **(2)**

Agenda Date: December 8, 2022

Item Numbers: A1 through A16

Dockets: **UT-220539 (Inland), UT-220546 (Mashell), UT-220558 (Whidbey), UT-220559 (Western Wahkiakum), UT-220562 (Hat Island), UT-220567 (Asotin, Lewis River, and McDaniel), UT-220570 (Kalama), UT-220571 (Hood Canal), UT-220572 (Tenino), UT-220573 (Pioneer), UT-220576 (St. John), UT-220578 (Westgate), UT-220581 (Pend Oreille), UT-220584 (Consolidated), UT-220598 (Skyline), and UT-220634 (Toledo)**

Staff: Sean Bennett, Senior Regulatory Analyst
Jonathon Church, Regulatory Analyst
Jing Roth, Deputy Director - Telecommunication, Water, and Transportation
Jeff Roberson, Assistant Attorney General

Recommendation

Enter an order in each of the 16 dockets, directing the distribution from the state universal service fund to each of the companies; and in the amounts listed in Attachment 1, no later than December 31, 2022.¹

For Westgate and Consolidated, condition the distribution on a requirement that those companies must return to the Commission the distribution for 2023 and 2024, prorated for each UTC broadband location to which it has not deployed 25/3 Mbps or faster broadband availability by June 30, 2024.

Background

During 2019, the legislature revised RCW 80.36.610 through .700 to change the purpose of, and extend, the State Universal Communications Services Program (State USF Program or program).² The State USF Program provides direct financial support to Washington's *small incumbent Class B Telecommunications companies* that have adopted a plan to provide, enhance, or maintain broadband services in high-cost rural areas of Washington. The Commission is allotted \$5 million each year over the remaining two-year term of the program.³

¹ RCW 80.36.650(2) allows that if less than five million dollars is expended in any fiscal year, the unexpended portion *must be carried over* to subsequent fiscal years and be available for program expenditures. This fiscal year, \$4,850,000 *is available* for distribution from the State USF Program based on the current appropriation and allotment.

² RCW 80.236.650(1) provides that "The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission and the provision, enhancement, and maintenance of broadband services, recognizing that, historically, the incumbent public network functions to provide all communications services including, but not limited to, voice and broadband services."

³ This is the ninth year of the program (year nine) and the next two years (nine and ten) make up the final

Under the State USF Program, a qualifying company must include in its petition a “broadband plan” that maintains, provides, or enhances broadband service within the provider’s service area.⁴ WAC 480-123-110 also requires a petitioning company to provide: a sworn statement that the company complies with accounting, cost allocation, and cost adjustment rules, a sworn statement that the company will continue to offer communications and broadband services, a sworn statement that it is in compliance with the FCC’s deployment obligation, and among other requirements, that it satisfies one of four eligibility criterion in order to be eligible to receive support.

In accordance with program rules, each company filed a petition and supporting information and exhibits, including a broadband plan, on or before August 2, 2022. Commission staff’s (Staff) review and analysis of these requests are based on the completeness of a company’s petition, its selection and satisfaction of an eligibility criterion, and the company’s proposed plan to provide, maintain, or enhance broadband services in its service area. Staff prepared **Attachment 1** to summarize the locations and detail the amount of support each petitioning company may receive, based on fund availability and its pro rata share.

Discussion

This year Staff’s analysis is based on i.) each company’s petition, ii.) its selected eligibility criterion, iii.) its compliance report for the previous year, iv.) its broadband plan, and v.) its responses to Staff’s data requests. This analysis requires Staff to verify and confirm each petitioner’s eligibility annually. The review of the compliance reports verified the number of deployment locations (for eligibility criterion two companies) and provides insight into how each company acted to maintain, enhance, and provide voice and broadband services during the 2022 fiscal year. Both the number of locations and the amount of support are subject to the amount of funds appropriated for the current fiscal year ending on June 30, 2023.

“two-year term” discussed in this memo and is consistent with the Commission’s rulemaking order which includes more of the details for reference. *See: General Order R-598 in Docket UT-190437, dated May 27, 2020.*

⁴ To the extent applicable, a company’s broadband plan to provide, maintain or enhance service should include:

- (i) Multiyear investment plan.
- (ii) Specific project(s) that are projected to provide or enhance broadband services at speeds required by the commission or the Federal Communications Commission. Project information will include an estimated timeline, geographic location, number of locations passed, and upload and download speeds.
- (iii) A plan for maintenance of broadband services in the provider's service area.
- (iv) A description for how the provider will enhance broadband services in its service area; and
- (v) Any supporting information that the Commission requests to assist its review and analysis of the provider's broadband plan.

The details of Staff’s analysis are described below:

I. Eligibility Criterion One Analysis:

No companies filed a petition under criterion one. This is the only option that requires a rate of return analysis consistent with prior iterations of the program. The other three criteria are more focused on building out additional locations or maintaining existing infrastructure, as further explained below.

II. Eligibility Criterion Two Analysis:

Each of the seven companies listed in the table below filed a petition and certified its commitment to deploy broadband services to the number of locations as required by the Commission’s order in UT-190437.⁵ Each of the companies filed its annual Compliance Reports on July 1, which included the specific coordinates where 25/3 Mbps (or faster) became available during the 2022 fiscal year. Staff used this information to understand and visualize each company’s deployment progress by creating deployment summaries and maps showing specific deployment locations as shown in **Attachment 2**.⁶ These locations are in addition to any locations required by the Federal Communications Commission (FCC). Staff calculated the proposed distribution amounts, as shown below, that are based on each company’s pro rata share of the available support for the 2022 fiscal year.

Company	UTC Required Broadband Service Locations FY21-24	Remaining UTC Broadband Obligation	FY2023 Annual Support
Consolidated	398	184	\$1,077,515
Inland	254	Satisfied	\$ 401,899
Pend Oreille	228	Satisfied	\$ 356,117
Asotin (TDS)	26	Satisfied	\$ 73,080
McDaniel (TDS)	350	Satisfied	\$ 236,864
Lewis River (TDS)	264	Satisfied	\$ 173,032
Westgate	70	70	\$ 103,242

Staff’s review of the companies’ petitions showed that each petitioner provided a broadband plan to deploy broadband services to locations where 25/3 Mbps capability is not available by the company.

⁵ Each company has a specific UTC Deployment Obligation based on its cost benchmark and the amount of anticipated support each company is potentially eligible to receive through June 30, 2024.

⁶ As this is not a direct grant program, these locations are not explicitly funded with SUSF support, however, SUSF support helps make it possible for these companies to deploy broadband consistent with their UTC broadband buildout requirement.

Each company is responsible for meeting their UTC broadband buildout obligation.⁷ Five of the companies have already met their UTC broadband buildout obligation. However, Consolidated and Westgate have not met their June 30, 2024, UTC broadband commitment.

Out of an abundance of caution, Staff recommend, and both Consolidates and Westgate agreed, that the Commission impose a condition in its order approving the distribution that the company must return a portion of the distribution in the event it fails to meet its UTC broadband buildout obligation during the 9 and 10 year of the program.⁸ That portion would be a prorated amount for the 2023 and 2024 SUSF distributions, with the company returning a proportional share based on the percentage of obligated UTC broadband locations to which the company did not deploy broadband.⁹ Each of these two companies have filed compliance reports illustrating the work that they have undertaken to deploy broadband and filed broadband plans that specify how they will continue to advance broadband availability and achieve their commitment prior to June 30, 2024.

Staff summary of the compliance reports and Staff's analysis of the proposed deployment plans for each company are described below:

Consolidated Communications of Washington Company, LLC

On July 7, 2022, Consolidated filed its SUSF compliance report and filed a revised report on August 5, 2022.¹⁰ In its report, Consolidated indicated that it has deployed broadband to 214 of its UTC broadband buildout requirement locations. 158 of these locations now have 25/3 Mbps broadband availability and 56 locations now have 50/5 Mbps broadband availability. The company has indicated that it has three projects scheduled to be completed by the end of 2022. The company is still in the process of burying conduit, distributing fiber, acquiring material, and finalizing permitting. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

On August 2, 2022, Consolidated filed its petition seeking SUSF support. The company's broadband plan provides a revised and updated look at the nine projects that were proposed in last year's petition. Each project details the construction of buried and/or aerial conduit and distribution fiber to a new/existing VDSL2 capable remote. The plan details three projects that

⁷ RCW 80.36.650(2).

⁸ WAC 480-123-140 allows that "Any eligible providers authorized to receive program support that fail to comply with public interest obligations under federal or Washington law or any other terms and conditions established by the commission may be subject to further action, including the commission's existing enforcement procedures and penalties, reductions in program support amounts, potential revocation of program eligibility designation, and suspension from, or disentitlement to future participation in the program.

⁹ Put mathematically, the amount the company would return is equal to the dollar amount of the distributions for 2023 and 2024 multiplied by the number of locations to which the company fails to deploy broadband divided by the total number of deployment locations in the company's broadband plans.

¹⁰ Consolidated's revised compliance report includes the locations used to meet its UTC broadband buildout obligation, administrative corrections, and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

are scheduled for completion by the end of 2022, reaching a total of 155 locations that count towards its 398 UTC broadband buildout obligation. Lastly, the broadband plan outlines two projects scheduled to begin in the second quarter of 2023 and one scheduled to begin in the first quarter of 2024. These final three projects are expected to reach another 104 locations. Additionally, the company is in the process of deploying 2-gig fiber to the city of Ellensburg which will connect 3,000 homes and business by the first quarter of 2023. Consolidated continues work to meet its UTC broadband buildout obligation prior to the program's expiration on June 30, 2024.

Inland Telephone Company

On June 21, 2022, Inland filed its SUSF compliance report. Inland filed its final revised report on August 4, 2022.¹¹ In the report, Inland states that it continues to enhance its broadband capability by completing a construction of fiber to the premise (FTTP) architecture in the Town of Colton and Uniontown. The company is continuing to expand to more remote customers and has replaced firewalls in all exchanges, replaced two servers, replaced core routers, converted DSL to VDSL, and continues to lay FTTP transmission and fiber drops where appropriate. During the 2021 fiscal year the company deployed broadband to 108 locations that are part of its UTC required broadband commitment of 254 locations. During the 2022 fiscal year Inland deployed broadband to an additional 218 locations and has now met its UTC broadband buildout obligation. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

On July 15, 2022, Inland filed its petition seeking SUSF support. The company's broadband plan details how it will enhance and provide broadband within its study area. The company continues to execute its multi-phase plan within the Dewatto Exchange. Phase 1 consists of FTTP conversion that is projected to be completed by June 30, 2023, and is expected to add approximately 60 locations that will be capable of 1 Gbps symmetrical.¹² Where cost prohibitive, this phase includes transitioning locations with DSL to VDSL allowing them to potentially receive broadband speeds as fast as 50/10 Mbps, depending on the degradation of their existing copper lines. Inland continues to explore ways that it can further enhance broadband availability throughout its study area.

Pend Oreille Telephone Company

On July 12, 2022, Pend Oreille filed its initial SUSF report and filed a revised report on August 15, 2022, to include the specific locations used to meet the company's UTC broadband buildout obligation. Since early 2020, Pend Oreille deployed 25/3 Mbps broadband service to 708 non-ACAM locations. In the report, Pend Oreille states that it has utilized SUSF Program funds to cover maintenance costs, upgrade electronic equipment for fiber to the home and placed fiber into service. Pend Oreille is planning to install a second 10G circuit at the Ione central office for added redundancy. These upgrades allowed the company to maintain and enhance voice and

¹¹ Inland's revised compliance report includes an update to the format of the locations used to meet its UTC broadband buildout obligation and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

¹² All current FTTP construction utilizes 16-way splits which will allow 1,000/1,000 Mbps broadband.

broadband service. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Pend Oreille filed its petition seeking SUSF support on August 2, 2022, and filed a revised broadband plan. on November 7, 2022. In the broadband plan, the company details that it will make 100/20 Mbps service available to 58 locations with upgraded equipment and will deploy 1G service to 60 locations during the current fiscal year. During the 2024 fiscal year, Pend Oreille plans three other projects that will bring fiber to more than 283 locations and the company plans on continuing to place fiber runs throughout its study area to further enhance broadband capability.

Asotin, Lewis River, and McDaniel Telephone Companies (TDS)

On June 24, 2022, Asotin filed its SUSF report and filed a revised report on July 19, 2022, to indicate that it will file its Broadband Data Collection no later than September 15, 2022. In the report, Asotin states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. In the previous fiscal year, Asotin already met its UTC Broadband Buildout requirement, however, the company reports that during the 2022 fiscal year it deployed to an additional 324 locations that are supported in part by SUSF support.

On June 24, 2022, Lewis River filed its SUSF report and filed a revised report on July 19, 2022, to indicate that it will file its Broadband Data Collection no later than September 15, 2022. In the report, Lewis River states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. In the previous fiscal year, Lewis River already met its UTC Broadband Buildout requirement, however, the company reports that during the 2022 fiscal year it deployed to an additional 171 locations that are supported in part by SUSF support.

On June 24, 2022, McDaniel filed its SUSF report and filed a revised report on July 19, 2022, to indicate that it will file its Broadband Data Collection no later than September 15, 2022. In the report, McDaniel states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. In the previous fiscal year, McDaniel already met its UTC Broadband Buildout requirement, however, the company reports that during the 2022 fiscal year it deployed to an additional 356 locations that are supported in part by SUSF support.

Based on Staff's review and several conversations with the companies, Staff believes the report meets the requirements of WAC 480-123-130.

The TDS companies (Asotin, Lewis River, and McDaniel) filed its joint petition seeking SUSF support on July 28, 2022. In its combined broadband plan, the companies will deploy broadband to 972 locations with speeds greater than or equal to 25/3Mbps through 2023. This estimate consists of 69 locations in Asotin, 151 locations in Lewis River, and 752 locations in McDaniel. These projects include pushing fiber deeper into the network, adding new nodes, upgrades to cabinet equipment and positions, and some vectoring. The TDS companies attest that these

projects all play a role towards meeting the Washington State Broadband Office 2028 goal of 150 symmetrical and plan to further deploy broadband in the future.

Westgate Communications LLC

On July 1, 2022, Westgate filed its SUSF compliance report and filed a revised report on July 19, 2022, to provide more detail on the use of support.¹³ Westgate states that it has not deployed 25/3 Mbps to any of the 70 locations as required by the Commission's order for broadband buildout due to unforeseen complications. Westgate was finalizing its two KU satellite stations to provide sufficient backhaul for 25/3 Mbps broadband service. Westgate leases transponder space from SES World Skys and the satellite components that they provided for provisioning backhaul service were faulty causing delay in the satellite backhaul project. The company reports that this project is now complete and being tested at beta sites. In addition, the company experienced snowstorms during the new year that collapsed and destroyed its snow shed along with a company vehicle and damaged the Stehekin workshop and warehouse building. Due to the mountainous terrain in Stehekin Valley the company determined that three Long-Term Evolution (LTE) LTE radio towers would be necessary to meet its broadband obligations and meet federal performance testing requirements. One 40-foot tower will be installed at the Stehekin central office, one 60-foot tower will be on Buehler's Bluff, while the third will be located at Westgate headquarters property. Westgate states these towers will be installed and operational by the end of December 2022. Based on Staff's review and several conversations with the company, Staff believes the report meets the requirements of WAC 480-123-130.

Westgate filed its petition seeking SUSF support on August 1, 2022, and filed a revised petition on November 9, 2022.¹⁴ The company's broadband plan states that the new KU-band satellite uplink will make 25/3 Mbps broadband service available to 121 locations (93 high-cost and 28 UTC locations) on January 1, 2023. The new satellite provides the necessary backhaul for Westgate to provide 25/3 Mbps broadband. Three LTE towers will be operational on January 1, 2023, and this infrastructure will provide fixed wireless broadband to all of the remaining locations. Westgate plans to deploy to the remaining 181 required locations (139 high-cost and 42 UTC) on a rolling basis throughout 2023. The company further states that it is exploring the construction of two towers to provide terrestrial back haul to Chelan which will further reduce cost, increase broadband speeds, provide redundancy, and increase available bandwidth. The company does not have an exact time frame for this project but estimates its completion by the end of 2024.

III. Eligibility Criterion Three Analysis:

There are six companies, requesting a distribution from the program under criterion three. Staff calculated the proposed distribution amounts, as shown below, that are based on each company's pro rata share of the available support for the 2023 fiscal year.

¹³ Westgate revised its compliance report to include the number of broadband connections and provide more details about the "Use of Funds."

¹⁴ Westgate revised the petition to include the company's total number of serviceable locations (locations to which internet access (any speed) is, or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, and a more detailed broadband plan.

Company	FY2023 Annual Support
Kalama*	\$245,324
Pioneer	\$149,271
Skyline	\$114,209
Mashell	\$161,648
Tenino	\$239,345
Whidbey	\$782,875

*Kalama filed under eligibility criterion two the first two years. This year, Kalama filed under eligibility criterion three.

Each of the five companies filed a petition and certified that it has met the FCC's total deployment obligations associated with federal high-cost support as of the date of the petition. Each company certified that since January 1, 2018, it deployed broadband to the number of broadband locations required by the Commission's order in UT-190437. These companies invested recently, and substantially, in order to deploy broadband in a shorter timeframe than required by the FCC and by the Commission. While already meeting its state and federal buildout requirements, these companies have provided broadband plans to maintain current services while continuing to deploy broadband service throughout its service area.

Staff summary of the compliance reports and staff's analysis of the broadband plan for each company are described below:

Kalama Telephone Company

On June 28, 2022, Kalama filed its SUSF compliance report, and filed a revised report on August 5, 2022.¹⁵ In the report, Kalama states that it is utilizing SUSF Program support to provide telecommunications and broadband services. During the previous fiscal year, the company deployed fiber optic-based infrastructure to 71 geolocated locations and deployed to an additional 52 geolocated locations (100/25 Mbps) and has now met its UTC broadband buildout obligation in addition to meeting its federal obligation prior to the 2024 deadline. Although the company has already met its federal high-cost and SUSF program obligation it continues to invest in infrastructure to expand its fiber optic-based services and anticipates deploying to an additional 297 locations by year end. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Kalama recently deployed to its UTC broadband buildout obligation and has deployed to the FCC's total high-cost buildout requirement and is now eligible under criterion II or III. Kalama filed its initial petition seeking SUSF support on July 28, 2022. The company plans to continue investing in fiber optic-based infrastructure and anticipates being able to serve broadband with speeds up to 200 Mbps symmetrical to an additional 353 locations in the future. Kalama continues to maintain its voice and broadband network and expects ongoing expenses associated with equipment maintenance and support contracts, repair/replacement of cable and wire

¹⁵ Kalama's revised compliance report includes an updated list including the locations used to meet its UTC Broadband Buildout obligation and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

facilities, maintaining and repairing back-up power sources, ALIT testing which analyzes cable facilities for indication of trouble or poor performance and network performance testing to ensure operation at acceptable levels.

Pioneer Telephone Company

On June 29, 2022, Pioneer filed its SUSF compliance report, and filed a revised report on August 11, 2022.¹⁶ Pioneer previously completed its fiber to the premise (FTTP) construction phase. In the report, Pioneer states that it is in the process of converting subscribers from copper to fiber and converted 83 locations in 2021. Over the last fiscal year, the company continued repairing and maintaining the current infrastructure while also making payments on the outstanding payable that was used to help fund the FTTP construction. The company continues to invest in resources that will maintain and enhance voice and broadband services, including but not limited to: FCC mandatory performance testing equipment, computer and SIP equipment related to robocalling mitigation, and ongoing plant under construction. Based on staff's review and conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Pioneer filed its petition seeking SUSF support on July 29, 2022.¹⁷ In its Broadband Plan, the company remains committed to converting existing subscribers from copper to fiber. The Broadband Plan also provides an estimate of the repair and maintenance expenses (i.e., plant specific costs for outside plant and central office equipment, land, building and vehicle expenses) necessary to maintain the current level of service. The company continues making payments on the outstanding loan that was used to complete the FTTP project. Company expects that it will be able to convert approximately 75 locations from copper to the FTTP plant during the 2023 fiscal year and will increase the maximum available speed once all locations have been converted.

Skyline Telecom, Inc.

On June 7, 2022, Skyline filed its SUSF compliance report and filed a revised report on August 3, 2022.¹⁸ In the report, Skyline states that it completed Phase II of its broadband plan and deployed fiber to 15 locations in late 2021. Additionally, the company undertook the engineering, secured the necessary permits, and has ordered the necessary materials for Phase IIIA of its broadband plan which will bring fiber to an additional 22 locations. The company has indicated that it recently secured alternative T-1 circuits into its Silverton exchange. Without a new backbone into the exchange, the bandwidth remains limited. Based on staff's review and

¹⁶ Pioneer's revised compliance report includes an updated sworn statement and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

¹⁷ Pioneer revised the petition includes the Company's total number of serviceable locations (locations to which internet access (any speed) is, or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, an expanded explanation within its certification of eligibility and a more detailed broadband plan.

¹⁸ Skyline's revised compliance report includes the addition of missing sections, an updated sworn statement, and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Skyline filed its petition seeking SUSF support on July 26, 2022. Skyline is actively executing Phase IIIA of its broadband plan, which will deploy fiber to 22 potential subscribers. Phase IIIC is slated to begin construction in 2023 and will deploy fiber to 12 potential subscribers. These fiber locations will be capable of speeds up to 1 Gbps. Skyline continues to explore funding opportunities to the 63 locations within the Silverton area for constructing 12 miles of fiber for the backbone of this exchange. Currently, this broadband project is cost prohibitive.

Mashell Telecom, Inc.

On June 30, 2022, Mashell filed its SUSF compliance report, and filed a revised report on August 2, 2022.¹⁹ In the report, Mashell states that it continues to invest in tools and other work equipment to install fiber service, circuit equipment upgrades to transport network to improve broadband service, and fiber installations to an additional 82 locations. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Mashell filed its petition seeking SUSF support on July 21, 2022, and filed a revised petition on October 27, 2022.²⁰ In its broadband plan, Mashell states that its fiber to the premises (FTTP) network provides 1G symmetrical service and the company currently offers 25/3 Mbps to 62 percent of its 4,427 serviceable locations. Mashell plans to deploy FTTP to 72 percent of its locations by the end of 2023 and 95 percent of its locations by 2025. The company estimates that 5 percent of locations will not be eligible to FTTP due to cost constraints and will strategically place terminals to shorten loops and provide faster broadband service.

Tenino Telephone Company

On June 28, 2022, Tenino filed its SUSF compliance report, and filed a revised report on August 4, 2022.²¹ In the report, Tenino states that it incurred repairs and maintenance expenses necessary to maintain the existing infrastructure. In addition to these typical expenses, Tenino continued to construct fiber optic-based broadband infrastructure capable of 25/3 Mbps or faster to 176 locations. In its response to an informal data request Tenino has indicated that they have already completed substantial investments to continue expanding fiber optic-based broadband infrastructure and is set to deploy to an additional 644 locations by the end of 2022. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Tenino filed its petition seeking SUSF support on July 28, 2022. In its broadband plan, Tenino states that it will deploy fiber optic-based broadband with speeds up to symmetrical 200 Mbps to

¹⁹ Mashell's revised compliance report includes an updated sworn statement and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

²⁰ Mashell revised the petition to include additional detail within its broadband plan.

²¹ Tenino's revised compliance report includes the addition of language that the company will file its Broadband Data Collection lists or polygons with the Commission no later than September 15, 2022.

an additional 378 locations. Tenino will continue investing and placing fiber backbone to alleviate congestion and provide capacity for future growth. The company states that it will continue to incur and pay operational expenses associated with its voice and broadband network. These expenses include, but are not limited to, equipment maintenance and support contracts with equipment and software vendors, repair and replacement of cable and wire facilities, maintaining and repairing back-up power sources and locating underground facilities, removing plant growth, and ALIT testing which analyzes cable facilities for indication of trouble or poor performance.

Whidbey Telephone Company

On June 30, 2022, Whidbey filed its SUSF compliance report, and filed a revised report on August 11, 2022.²² In the report, Whidbey has stated that it continues its major fiber to the street project, drop work for new customers, and it has incurred operating expenditures (i.e., material and labor, equipment repair and maintenance, customer service requests, technical support, etc.) during the 2023 fiscal year. Whidbey reports that it deployed 100/25 Mbps to 618 additional locations and deployed 1 Gbps / 500 Mbps to 318 locations. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Whidbey filed its petition seeking SUSF support on July 26, 2022, and filed a revised petition on October 24, 2022.²³ The company provided a broadband plan and states that over the next year it anticipates substantial capital expenditures to further expand fiber-based broadband capability to approximately 662 locations while also expanding fiber along main corridors to expand quickly and efficiently in future years. In addition to deploying broadband to new locations the company plans to incur repair and maintenance expenses necessary to maintain and enhance voice and broadband services.

IV. Eligibility Criterion Four Analysis:

Five companies have filed petitions requesting support under Criterion Four. Each of the five companies has certified that broadband service is available to 100 percent of locations within its respective service areas and has committed to making broadband service available to any new locations. Staff calculated the proposed distribution amounts, as shown below, that are based on each company's pro rata share of the available support for the 2022 fiscal year.

²² Whidbey's revised compliance report includes an updated sworn statement and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

²³ Whidbey revised the cover letter of the petition and provided an explanation that it is seeking support for the current fiscal year and updated the date of its broadband plan to include its total number of serviceable locations (locations to which internet access (any speed) is, or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability.

Company	FY2023 Annual Support
Hood Canal	\$137,780
St. John	\$84,541
Toledo	\$291,054
Hat Island	\$ 1,314
Western Wahkiakum	\$220,890

Each petitioning company has provided a broadband plan to maintain its existing infrastructure while continuing to invest in capital improvements to make available broadband at speeds faster than 25/3 Mbps.

Staff summary of the compliance reports and staff's analysis of the proposed deployment plans for each company are described below:

Hood Canal Telephone Co., Inc.

On June 28, 2022, Hood Canal filed its SUSF compliance report, and filed a revised report on July 29, 2022.²⁴ In the report, Hood Canal states that support from the SUSF program has contributed to the company's ability to maintain and expand its voice and fiber services. In addition to working on fiber to the home (FTTH) projects and fiber drops. The company has purchased work equipment tools, upgraded core computer router and computer equipment, installed fiber hookups and continued work on its FTTH project and installed fiber drops. The company has indicated that it deployed fiber to 30 new locations and has continued converting coax cable subscribers to fiber to provide speeds up to 1 Gbps. SUSF Program support allows the company to maintain the offerings of voice and broadband services and enables the company to enhance services where appropriate. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

On July 28, 2022, Hood Canal filed its petition seeking SUSF support. In its broadband plan, the company elaborates on the status of the FTTH project. There are currently 839 locations to convert from coax to fiber and Hood Canal estimates that it will convert 533 locations by the end of 2023. In addition, the company remains dedicated to maintaining its quality of service while enhancing its speeds through its FTTH projects.

St. John Telephone, Inc.

On June 28, 2022, St. John filed its SUSF compliance report, and filed a revised report on August 1, 2022.²⁵ St. John has deployed fiber to the premises (FTTP) to 100 percent of the locations within its study area. In its report, St. John states that it purchased new tools and central office equipment, replaced obsolete optical network terminal equipment, installed fiber drops, and purchased 28 miles of fiber that is a part of its main interexchange transport route. This

²⁴ Hood Canal's revised compliance report includes language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022, and an updated sworn statement.

²⁵ St. John's revised compliance report includes an updated sworn statement and added the language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

access was previously leased from the Port of Whitman. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

St John filed its petition seeking SUSF support on July 29, 2022. The company states in its broadband plan that it has deployed FTTP to 100 percent of the serviceable locations and offers 100/100 Mbps to all locations within its study area. St. John remains committed to deploying broadband to any new locations and reports that it continues one to two fiber drops per year. To conduct these fiber drops, the company expects to purchase of work equipment and central office equipment. St John St. John will continue to have repair and maintenance expenses to maintain its infrastructure (i.e., plant specific, switching support, middle mile costs, performance testing and monitoring and underground fiber repairs) and will continue making payments on the loan that was used to complete its FTTP project.

The Toledo Telephone Co., Inc.

On July 6, 2022, Toledo filed its SUSF compliance report, filed a revised compliance report on August 18 and filed a final revised report on September 9, 2022.²⁶ In the report, Toledo states that over the last year, it constructed over 70 new fiber drops and upgraded its core router to add increased middle mile capacity, parental control features, and greater redundancy. Toledo continues to make payments on its RUS loan. The company's serviceable locations are capable of 1 Gbps symmetrical service. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Toledo filed its petition seeking SUSF support on August 23, 2022, then filed a revised petition on October 27, 2022.²⁷ In its broadband plan, Toledo states it has deployed fiber to the premises (FTTP) to 100 percent of the serviceable location within its study area and it made a commitment to deploy broadband services to any new locations. Over the last two years, the company has built fiber to over 80 new homes and expects this trend to continue. While fully deployed, Toledo continues to invest throughout its study area and is in the process of replacing fiber lines cards to allow speeds up to 10 Gbps for each customer. The company will continue to have repair and maintenance expenses to maintain its network, while also continuing to make payments on its RUS loan that was used to deploy FTTP.

Hat Island Telephone Company

On June 29, 2022, Hat Island filed its SUSF compliance report, and filed a revised report on August 12, 2022, to include additional information about its broadband plan.²⁸ In the report, Hat Island states that it utilizes the SUSF program funds toward the \$22,500 in operating expenses it incurs for maintenance of the network and provisioning voice and broadband services. Based on

²⁶ Toledo's revised compliance report includes an updated sworn statement, additional details about the use of funds, and updated language that it filed its Broadband Data Collection with the Commission.

²⁷ The Commission granted Toledo's request to waive the August 2, 2022, petition deadline in docket UT-220626.

²⁸ Hat Island's revised compliance report includes an updated sworn statement and the addition of language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Hat Island filed its petition seeking SUSF support on July 27, 2022, and filed a revised petition on October 27, 2022.²⁹ In its broadband plan, the company states that it continues to incur repairs and maintenance expenses (i.e. bonding, maintaining connections within pedestals, etc.) in connection with maintaining voice and broadband (25/3 Mbps) to 100 percent of its serviceable locations. The company plans to explore additional funding sources to deploy fiber in the future.

Western Wahkiakum County Telephone Company

On June 29, 2022, Western Wahkiakum filed its SUSF compliance report, and filed a revised report on August 1, 2022.³⁰ In the report, Western Wahkiakum states that it utilized support towards the maintenance of the existing network while also making investments to provide more reliable and faster broadband service in the Grays River and Naselle Exchanges. The company is currently 100 percent fiber to the premises (FTTP) and continues to install, test, activate, and cutover service from copper to fiber optic facilities. Additionally, the company continues to make principal and interest payments for the RUS loans that was used for the deployment of its FTTP and purchases and deploys hardware and software to increase service and improve quality and reliability. Based on staff's review and several conversations with the company, staff believes the report meets the requirements of WAC 480-123-130.

Western Wahkiakum filed its petition seeking SUSF support on July 26, 2022, and filed a revised petition updating its broadband plan on November 7, 2022. In its broadband plan, Western Wahkiakum states that it continues transitioning locations from copper to fiber and this transition requires investment in both equipment and labor. Western Wahkiakum estimates that it will be able to transition 100 of the 125 locations still on copper through 2023. Fiber locations have access to broadband with speeds up to 300 Mbps, however, not all locations currently subscribe to this speed. Western Wahkiakum has opened and continues to maintain Wi-Fi hotspots for the community so that people have access to broadband service. The company has entered into support contracts with its primary equipment vendors to ensure the maintenance of existing platforms and the enhancement of the existing platforms, as they become available.

Conclusion

Based on Commission Staff's review and analysis, all 18 petitioning companies have met the requirements of the State USF Program, as specified in WAC 480-123-100 and WAC 480-123-110. Commission Staff concludes and recommends that the Commission enter orders in each docket directing the distribution of \$4,850,000 from the State USF Program fund to the companies; and in the amounts listed in Attachment 1, no later than December 31, 2022.

²⁹ Hat Island revised the broadband plan and updated its cover letter to indicate that it is seeking support during the current fiscal year.

³⁰ Western Wahkiakum's revised compliance report includes language that the company will file its Broadband Data Collection lists or polygon in Docket UT-220275 no later than September 15, 2022.

For Westgate and Consolidated, condition the distribution on a requirement that those companies must return to the Commission the distribution for 2023 and 2024, prorated for each UTC broadband location to which is has not deployed 25/3 Mbps or faster broadband availability by June 30, 2024.

Attachments (1) and (2)

Agenda Date: November 12, 2021

Item Numbers: A3 through A18

Dockets: UT 210480 (Toledo), UT 210546 (Inland), UT 210575 Skyline, UT 210578 (Consolidated), UT 210579 (Asotin, Lewis River, and McDaniel), UT 210581 (Western Wahkiakum), UT 210582 (Pioneer), UT 210583 (Tenino), UT 210584 (Hat Island), UT 210585 (Kalama), UT 210586 (Whidbey), UT 210591 (St. John), UT 210594 (Hood Canal), UT 210597 (Pend Oreille), UT 210598 (Westgate), UT 210599 (Mashell Telecom)

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

Recommendation

Enter an order in each of the 16 dockets, directing the distribution of \$4,850,000 from the state universal communications services program fund to the companies; and in the amounts listed in Attachment 1, no later than December 31, 2021.¹

I. Background

During 2019, the legislature revised RCW 80.36.610 through 700 to change the purpose of, and extend, the State Universal Communications Services Program (State USF Program or program).² The State USF Program provides direct financial support to Washington’s *small incumbent Class B Telecommunications companies* that have adopted a plan to provide, enhance, or maintain broadband services in high-cost rural areas of Washington. The Commission is allotted \$5 million each year over the remaining three-year term of the program.³

¹ RCW 80.36.650(2) allows that if less than five million dollars is expended in any fiscal year, the unexpended portion *must be carried over* to subsequent fiscal years and be available for program expenditures. This fiscal year, \$4,850,000 *is available* for distribution from the State USF Program based on the current appropriation and allotment.

² RCW 80.236.650(1) provides that “The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission and the provision, enhancement, and maintenance of broadband services, recognizing that, historically, the incumbent public network functions to provide all communications services including, but not limited to, voice and broadband services.”

³ This is the eighth year of the program (year eight) and the next two years (nine and ten) make up the final “three-year term” discussed in this memo and is consistent with the Commission’s rulemaking order which includes more of the details for reference. *See: General Order R-598 in Docket UT-190437, dated May 27, 2020.*

Under the State USF Program, a qualifying company must include in its petition a “broadband plan” that maintains, provides, or enhances broadband service within the provider’s service area.⁴ WAC 480-123-110 also requires a petitioning company to provide: a sworn statement that the company complies with accounting, cost allocation, and cost adjustment rules, a sworn statement that the company will continue to offer communications and broadband services, a sworn statement that it is in compliance with the FCC’s deployment obligation, and among other requirements, that it satisfies one of four eligibility criterion in order to be eligible to receive support.

In addition to the required information above, Commission staff (Staff) asked each company to provide its total number of serviceable locations (locations to which internet access (any speed) is or could be available) and the number of serviceable locations with 25/3 Mbps (or faster) broadband speed capability. With such information, Staff can better measure the progress made by the petitioning companies in reaching the goal of universal service. After setting a baseline for comparison, Staff expects that next year, we will be able to provide more and relevant information about each company’s progress in deploying broadband.⁵

In accordance with program rules, each company filed a petition and supporting information and exhibits, including a broadband plan, on or before August 2. Staff’s review and analysis of these requests are based on the completeness of a company’s petition, its selection and satisfaction of an eligibility criterion, and the company’s proposed plan to provide, maintain, or enhance broadband services in its service area. Staff prepared **Attachment 1** to show the number of deployment locations and the dollar amount of support each petitioning company may receive, based on fund availability and its pro rata share.

⁴ To the extent applicable, a company’s broadband plan to provide, maintain or enhance service should include:

- (i) Multiyear investment plan.
- (ii) Specific project(s) that are projected to provide or enhance broadband services at speeds required by the commission or the Federal Communications Commission. Project information will include an estimated timeline, geographic location, number of locations passed, and upload and download speeds.
- (iii) A plan for maintenance of broadband services in the provider's service area.
- (iv) A description for how the provider will enhance broadband services in its service area; and
- (v) Any supporting information that the commission requests to assist its review and analysis of the provider's broadband plan.

⁵ Based on staff’s conversations and discussion with several companies, there is the possibility that there may not be consensus about the definition of “serviceable location” and “broadband speed capability.” Staff, the companies, and WITA plan to meet and find consensus about this matter. If necessary, all parties will work together to set a new baseline with updated information.

II. Discussion

This year Staff's analysis is based on:

- i.) each company's petition,
- ii.) its selected eligibility criterion,
- iii.) its compliance report for the previous year,
- iv.) its broadband plan; and
- v.) its responses to staff's data requests.

This analysis requires Staff to verify and confirm each petitioner's eligibility annually. The review of the compliance reports provides insight into how and what each company acted on during the 2021 fiscal year in pursuit to maintain, enhance, and provide voice and broadband services.

The details of Staff's analysis of each petition are described below:

I. Eligibility Criterion One Analysis:

No companies filed a petition under criterion one. This is the only option that requires a rate of return analysis consistent with prior iterations of the program. The other three criteria are more focused on building out additional locations or maintaining existing infrastructure, as further explained below.

II. Eligibility Criterion Two Analysis:

Each of the eight companies listed in the table below filed a petition and certified its commitment to deploy broadband services to the number of locations as required by the Commission's order in UT-190437.⁶ Each of the companies filed their Compliance Reports on July 1, which included the specific coordinates where 25/3 Mbps (or faster) broadband speed capability became available during the 2021 fiscal year. Staff used this information to create deployment summaries and maps showing specific deployment locations as shown in **Attachment 2**.⁷ These locations are in addition to any locations required by the Federal Communications Commission (FCC). Staff calculated the proposed distribution amounts, as shown below, that are based on each company's pro rata share of the available support for the 2022 fiscal year.

⁶ Each company has a specific UTC Deployment Obligation based on their cost benchmark and the amount of anticipated support each company is potentially eligible to receive through June 30, 2024.

⁷ As this is not a grant program, these locations are not explicitly funded with SUSF support, however, SUSF support helps make it possible for these companies to deploy broadband consistent with their UTC broadband buildout requirement.

Company	FY2022 Annual Support
Consolidated	\$1,077,515
Inland	\$ 401,899
Pend Oreille	\$ 356,117
Asotin (TDS)	\$ 73,080
McDaniel (TDS)	\$ 236,864
Lewis River (TDS)	\$ 173,032
Kalama	\$ 245,324
Westgate	\$ 103,242

Staff's review of the companies' petitions showed that each petitioner provided a broadband plan to deploy broadband services to locations where 25/3 Mbps capability is not available by the company. Staff summary of the compliance reports and Staff's analysis of the proposed deployment plans for each company are described below:

Consolidated Communications of WA

On July 1, 2021, Consolidated filed its SUSF compliance report and stated that they have made significant progress on four projects for broadband deployment.⁸ The Company has completed all engineering and design work. The Company also informed staff that it has acquired all permits and secured all necessary contractor resources. Based on staff's review and several conversations with the Company, staff believes the report meets the requirements of WAC 480-123-130.

Consolidated filed its petition seeking SUSF support on July 27, 2021. After discussion with staff, the Company filed a revised petition on August 30, 2021.⁹ In its broadband plan, Consolidated has identified nine projects that will provide broadband to over 430 households. These projects include the deployment of fiber and copper facilities to new or upgraded remote terminals that will shorten the loop lengths of existing last mile copper. The Company will provide broadband services at speeds ranging from 25/5 Mbps to 50/10 Mbps, depending on the distance from the remote. Consolidated plans to deploy broadband to 175 locations by the end of 2021 and an additional 94 locations by the end of 2022.

⁸ The project areas are designated as confidential information under WAC 480-07-160. The company will provide coordinates for locations once the projects are complete.

⁹ Consolidated revised the petition to provide the company's total number of serviceable locations (locations to which internet access (any speed) is or could be available) and the number of serviceable locations with 25/3 Mbps (or faster) broadband capability.

Inland Telephone

On June 16, 2021, Inland filed its SUSF compliance report. Inland filed its final revised report on August 30, 2021.¹⁰ In the report, Inland states that it continues to enhance its broadband capability by completing a construction of fiber to the premise (FTTP) architecture in the Town of Colton and it is currently transitioning customers to Fiber. The Company has deployed to 196 locations within the City of Colton at broadband speeds faster than or equal to 25/3 Mbps. Additionally, the Company is in the process of constructing FTTP in its Uniontown exchange and 116 locations in Uniontown are currently capable of receiving 25/3 Mbps or faster. During the 2021 fiscal year the Company deployed broadband to 108 locations that are part of its UTC required broadband commitment of 254 locations. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Inland filed its petition seeking SUSF support on July 9, 2021, and the Company filed a revised petition on August 30, 2021.¹¹ In the Company's broadband plan, Inland states that it will continue construction of FTTP in the Town of Uniontown and will transition 90 locations (in the Uniontown Exchange) with digital subscriber line (DSL) to very high-speed digital subscriber line (VDSL) service as the deployment of Fiber is cost prohibitive. This service allows broadband capability with speeds up to 50/10 Mbps depending on how far the location is from the terminal. The Company is transitioning locations in the Prescott and Dewatto Exchanges to VDSL in the short-term and it is exploring financial feasibility to deploy a FTTP architecture in these more remote areas.

Pend Oreille

On June 30, 2021, Pend Oreille filed its initial SUSF report and filed a revised report on August 23, 2021.¹² In the report, Pend Oreille states that it has utilized SUSF Program funds to improve broadband service by placing fiber and continues to invest in equipment upgrades (i.e., new 10G E7 Ring from its Central Office in Cusick to Ione and then to Metaline Falls and upgrading 12 digital loop carrier system to Calix E8 or E3) to provide customers with VDSL and GPON services. These investments allowed the Company to deploy broadband to 228 locations, consistent with its entire UTC broadband buildout requirement during the 2021 Fiscal Year.

¹⁰ Inland corrected its residential access lines served in the revised report filed on June 22, 2021. On July 13, 2021, the company filed a revised report to include broadband subscribers and the coordinates for all of its locations. On July 27, 2021, the company filed a supplement that contained coordinates for locations that it recently deployed to. The company filed a corrected revised report on August 30, 2021, that corrected the number of locations to which it deployed during the 2021 fiscal year.

¹¹ Staff requested that Inland revise its petition to include additional detail in its broadband plan and provide the Company's total number of serviceable locations (locations to which internet access (any speed) is or could be available) and the number of serviceable locations with 25/3 Mbps (or faster) broadband capability.

¹² Pend Oreille filed a revised compliance report to include details about its "Use of Funds" and to indicate that coordinates for locations to which it deployed broadband are not currently available. The Company indicated that it would provide the coordinates in the next SUSF compliance report due July 1, 2022.

Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Pend Oreille filed its petition seeking SUSF support on August 2, 2021, and filed a revised petition on September 1, 2021, to provide the Company's total number of serviceable locations (locations to which internet access (any speed) is or could be available) and the number of serviceable locations with 25/3 Mbps (or faster) broadband capability. In the short-term, the Company will be concluding system upgrades (new or upgraded digital loop carrier systems at Riverbend Loop Road, Lenora, and the Usk, Penny Lane and Newsprint sites) to expand VDSL/FTTH broadband service in all three exchanges. Over the next two-three years, Pend Oreille plans to run fiber along State Highway 20, State Route 31 from Ione to Metaline and along State Route 31 to the US Border, this will provide FTTP to an additional 160-210 locations while also creating a full 10G Fiber ring around its service area.

Asotin, Lewis River, and McDaniel (TDS)

On June 29, 2021, Asotin filed its SUSF report. In the report, Asotin states that it has utilized SUSF Program funds to defray ongoing operation and maintenance expenses to maintain current services while also contributing to the company's ability to expand faster broadband service. Specifically, Asotin completed its all-fiber passive optical network in City of Asotin bringing FTTP to 549 locations. Asotin has a UTC broadband buildout requirement of 26 locations, however, Asotin deployed broadband to 326 locations (8 are capable of 25/3 Mbps and 318 are capable of 25/5 Mbps) in the 2021 fiscal year and these locations are supported by the SUSF Program.

On June 29, 2021, Lewis River filed its SUSF report. In the report, Lewis River states that it is bonding and vectoring its DSL connections.¹³ Lewis River has a UTC broadband buildout requirement of 264 locations, however, Lewis River deployed broadband to 411 locations (36 are 25/3 Mbps, 248 are 25/5 Mbps and 127 are 100/25 Mbps) in the 2021 fiscal year and are supported by the SUSF Program.

On June 29, 2021, McDaniel filed its SUSF report. In the report, McDaniel states that it has opened major projects to increase broadband speeds by copper bonding, vectoring, DSL cards, capacity upgrade and drops. McDaniel has a UTC broadband buildout requirement of 350 locations, however, McDaniel deployed broadband to 577 locations (74 are 25/3 Mbps and 503 are capable of 25/5 Mbps) in the 2021 fiscal year and these locations are supported by the SUSF Program.

Based on staff's review and several conversations with the companies, staff believes that the report meets the requirements of WAC 480-123-130.

¹³ Bonding is when two or more DSL lines (ADSL or VDSL) are connected. This process increases the maximum internet speed by aggregating both the upload and download bandwidth into a single connection. Vectoring reduces noise interference from other lines and allows the connection to provide a faster speed.

The TDS Companies (Asotin, Lewis River, and McDaniel) filed its joint petition seeking SUSF support on July 23, 2021, and filed a supplemental exhibit on August 18, 2021, to provide the number of serviceable locations with 25/3 Mbps (or faster) capability. In its combined broadband plan, the Company projects that it will provide broadband (25/3 Mbps or faster) to an additional 2,010 locations through 2022. The TDS Companies estimate that 181 of these locations will be in Asotin, 755 of these locations will be in Lewis River, and 1,074 of these locations will be in McDaniels

Kalama

On June 29, 2021, Kalama filed its SUSF report. In the report, Kalama states that it is utilizing SUSF Program support to provide telecommunications and broadband services. During the 2021 Fiscal year, the Company has deployed fiber optic-based infrastructure to 119 locations which nearly satisfies the UTC broadband buildout requirement of 122 locations. Based on staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Kalama filed its initial petition seeking SUSF support on July 28, 2021, and it later filed an amended petition on October 7, 2021.¹⁴ The Company plans to continue investing in fiber optic-based infrastructure and anticipates being able to serve broadband with speeds up to 200 Mbps symmetrical to an additional 177 locations in the near future. Kalama continues to maintain its voice and broadband network and expects ongoing expenses associated with equipment maintenance and support contracts, repair/replacement of cable and wire facilities, maintaining and repairing back-up power sources, ALIT testing which analyzes cable facilities for indication of trouble or poor performance and network performance testing to ensure operation at acceptable levels.

Westgate

On July 6, 2021, Westgate filed its SUSF compliance report, and it filed a revised report on August 9, 2021.¹⁵ In the revised report, Westgate states that although it has not deployed 25/3 Mbps to any of the 90 locations as required by the Commission's order for broadband buildout. The Company continues three major construction projects that will increase its broadband speed for service offerings. The first project consists of building two KU band satellite antennas that will increase data capacity from 12/3 Mbps to 25/3 Mbps. During the 2021 fiscal year, the Stehekin antenna was placed, radiation studies have been conducted, and the engineering and design have been completed and approved. Westgate has also engineered and designed a new Long-Term Evolution (LTE) radio site, and the lease has been signed by both parties to secure the radio site. The report also informed Staff that the tower, solar power plant, construction

¹⁴ Kalama revised the petition to include the Company's total number of serviceable locations (locations to which internet access (any speed) is or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, the number of locations with expected 25/3 Mbps or faster speed capability (locations designed to deliver 25/3 Mbps but may not be able to deliver this speed due to system degradation), corrected an administrative error and provided additional details within the Company's broadband plan.

¹⁵ Westgate revised its compliance report to include the number of broadband connections and provide more details about the "Use of Funds".

equipment, and supplies have been lifted by helicopter to the construction site. Based on Staff's review and several conversations with the Company, Staff believes that the report meets the requirements of WAC 480-123-130.

Westgate filed its petition seeking SUSF support on August 3, 2021, and the Company filed a revised petition on September 22, 2021.¹⁶ The Company's broadband plan states that it will activate the transponder lease for its satellite backhaul in Spring of 2022 and activation will make 25/3 Mbps available to 293 locations. The Company plans to construct a tower project (LTE) by the end of 2022 which will increase broadband speed capacity further (up to 300 Mbps for many locations) and will also increase the Company's reliability and redundancy. The Company further states that it is exploring the constructions of a tower to provide terrestrial backhaul to Chelan which will further reduce cost and increase available bandwidth. The Company does not have an exact time frame for this project but estimates that it will likely happen during the year of 2023 or 2024.

III. Eligibility Criterion Three Analysis:

There are five companies, requesting a distribution from the program. Staff calculated the proposed distribution amounts, as shown below, that are based on each company's pro rata share of the available support for the 2022 fiscal year.

Company	FY2022 Annual Support
Pioneer	\$149,271
Skyline	\$114,209
Mashell	\$161,648
Tenino	\$239,345
Whidbey	\$782,875

Each of the five companies filed a petition and certified that it has met the FCC's total deployment obligations associated with federal high-cost support as of the date of the petition. Each company certified that since January 1, 2018, it deployed broadband to the number of broadband locations required by the Commission's order in UT-190437. These companies invested recently, and substantially, to deploy broadband in a shorter timeframe than required by the FCC and by the Commission. While already meeting their state and federal buildout requirements, these companies have provided broadband plans to maintain current services while continuing to deploy broadband service throughout their service area.

Staff summary of the compliance reports and Staff's analysis of the proposed deployment plans for each company are described below:

¹⁶ Westgate revised the petition to include the Company's total number of serviceable locations (locations to which internet access (any speed) is or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, and a more detailed broadband plan.

Pioneer

On June 29, 2021, Pioneer filed its SUSF report. In the report, Pioneer states that it has completed its FTTP construction phase. The Company is in the process of converting subscribers from copper to fiber at a cost of approximately \$1.4 million over the 2021 fiscal year. Over the last fiscal year, the Company continued repairing and maintaining the current infrastructure while also making payments on the outstanding payable that was used to help fund the FTTP construction while maintaining and enhancing voice and broadband services. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Pioneer filed its petition seeking SUSF support on July 28, 2021, and it filed a revised petition on August 31, 2021.¹⁷ The Company's broadband plan shows that it anticipates ongoing capital expenditures, repair, and maintenance expenses (i.e., plant specific costs for outside plant and central office equipment, land, building and vehicle expenses). The Company claims that it continues making payments on the outstanding loan that was used to complete the FTTP project. The Company expects that it will be able to convert approximately 100 locations from copper to the FTTP plant during the fiscal year of 2022.

Skyline

On June 16, 2021, Skyline filed its SUSF compliance report and filed a revised report on July 29, 2021, to include the number of broadband connections. In the report, Skyline states that it completed Phase I of its broadband plan and deployed fiber to 17 locations during the 2021 fiscal year. Additionally, the Company undertook the engineering, secured the necessary permits, and has ordered the necessary materials for Phase II of its broadband plan. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Skyline filed its petition seeking SUSF support on July 26, 2021, and filed a revised petition on September 1, 2021.¹⁸ Skyline has provided a broadband plan that contains two remaining phases. Phase II will deploy fiber to 25 locations and was recently completed. Phase III is planned for 2022 and will bring fiber to an additional nine locations. These locations will be capable of speeds up to 1 Gbps.

¹⁷ Pioneer revised the petition includes the Company's total number of serviceable locations (locations to which internet access (any speed) is, or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, an expanded explanation within its certification of eligibility and a more detailed broadband plan.

¹⁸ Skyline revised the petition to include the Company's total number of serviceable locations (locations to which internet access (any speed) is, or could be available), number of serviceable locations with 25/3 Mbps (or faster) broadband capability and resigned the certifications electronically as there was an error when the previous electronic signatures were transmitted.

Mashell

On June 29, 2021, Mashell filed its SUSF compliance report, and filed a revised report on July 28, 2021.¹⁹ In the report, Mashell states that it continues to invest in tools, software, and hardware to install fiber service to additional locations. The Company has also invested in central office equipment and outside plant infrastructure to offer modern voice and broadband services throughout its service area. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Mashell filed its petition seeking SUSF support on August 3, 2021, and it filed a revised petition on September 15, 2021.²⁰ In its broadband plan, Mashell states that its FTTP network provides 1G symmetrical service and the Company currently offers 25/3 Mbps to 60 percent of its 4,066 serviceable locations. By the end of 2022, Mashell plans to deploy FTTP to an additional 7 percent of its locations and over the next five years, Mashell plans to expand its FTTP network to 28 percent of locations. The Company estimates that 5 percent of locations will not be eligible to FTTP due to cost constraints and will strategically place terminals to shorten loops and provide faster broadband service.

Tenino

On June 29, 2021, Tenino filed its SUSF compliance report. In the report, Tenino states that it incurred repairs and maintenance expenses necessary to maintain the existing infrastructure. In addition to these typical expenses, Tenino continued to construct fiber optic-based broadband infrastructure capable of 25/3 Mbps or faster to 111 locations. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Tenino filed its petition seeking SUSF support on July 28, 2021, and it later filed a revised petition on October 7, 2021.²¹ In its broadband plan, Tenino states that it will deploy fiber optic-based broadband with speeds up to symmetrical 200 Mbps to an additional 232 locations. The Company states that it will continue to incur and pay operational expenses associated with its voice and broadband network. These expenses include, but are not limited to, equipment maintenance and support contracts with equipment and software vendors, repair and replacement of cable and wire facilities, maintaining and repairing back-up power sources and locating

¹⁹ Mashell's revised compliance report updated administrative errors, provided the number of broadband connections, provided more detail about the Company's "Use of Funds", and added additional required language consistent with WAC 480-123-120(5).

²⁰ Mashell revised the petition to include the Company's total number of serviceable locations (locations to which internet access (any speed) is, or could be available), number of serviceable locations with 25/3 Mbps (or faster) broadband capability, provide additional detail within its broadband plan, and added required language to its continued operations certificate, see WAC 480-123-110(1)(h).

²¹ Tenino revised the petition to include its total number of serviceable locations (locations to which internet access (any speed) is, or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, the number of locations with expected 25/3 Mbps or faster capability (locations designed to deliver 25/3 Mbps but may not be able to deliver this speed due to system degradation), corrected an administrative error and provided additional details within the Company's broadband plan.

underground facilities, removing plant growth, ALIT testing which analyzes cable facilities for indication of trouble or poor performance.

Whidbey

On July 1, 2021, Whidbey filed its SUSF compliance report and filed a supplemental report on July 7, 2021, that included coordinates to the 3,887 locations that Whidbey has deployed to since 2016. In the report, Whidbey has stated that it continues its major fiber to the street project, drop work for new customers, and it has incurred operating expenditures (i.e., material and labor, equipment repair and maintenance, customer service requests, technical support, etc.) during the 2021 fiscal year. During this same period, Whidbey deployed 1 Gbps to 376 locations. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Whidbey filed its petition seeking SUSF support on July 28, 2021, and it filed a revised petition on September 16, 2021.²² The Company provided a broadband plan and states that over the next year it anticipates substantial capital expenditures to further expand fiber-based broadband capability to approximately 521 locations while also laying the groundwork to expand quickly and efficiently in future years. In addition to deploying broadband to new locations the Company plans to incur repair and maintenance expenses necessary to maintain and enhance voice and broadband services.

IV. Eligibility Criterion Four Analysis:

Five companies have filed petitions requesting support under Criterion Four. Each of the five companies has certified that broadband service is available to 100 percent of locations within its respective service areas and has committed to making broadband service available to any new locations. Staff calculated the proposed distribution amounts, as shown below, that are based on each company's pro rata share of the available support for the 2022 fiscal year.

Company	FY2022 Annual Support
Hood Canal	\$137,780
St. John	\$84,541
Toledo	\$291,054
Hat Island	\$ 1,314
Western Wahkiakum	\$220,890

Each petitioning company has provided a broadband plan to maintain its existing infrastructure while continuing to invest in capital improvements to make available broadband at speeds faster than 25/3 Mbps.

²² Whidbey revised the petition to include its total number of serviceable locations (locations to which internet access (any speed) is, or could be available), the number of serviceable locations with 25/3 Mbps (or faster) broadband capability, corrected an administrative error and provided additional details within the Company's broadband plan.

Staff summary of the compliance reports and Staff's analysis of the proposed deployment plans for each company are described below:

Hood Canal

On June 25, 2021, Hood Canal filed its SUSF compliance report. In the report, Hood Canal states that support from the SUSF program has contributed to the Company's ability to maintain and expand its voice and fiber services. In addition to working on FTTP projects and fiber drops, the Company has upgraded central office transmission equipment, upgraded core computer router, and optical network devices as well as purchased necessary tools and equipment. SUSF Program support allows the Company to maintain the offerings of voice and broadband services and enables the Company to enhance services where appropriate. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Hood Canal filed its petition seeking SUSF support on July 30, 2021, and it filed a supplemental revision to its petition on August 27, 2021.²³ In its broadband plan, the Company states that all locations are capable of receiving 25/3 Mbps, however, the Company plans to offer broadband services at faster speeds and will upgrade its remaining service area with FTTP within the next few years. The upgrade effort will allow 1,035 subscribers to convert from coax cable to fiber. Hood Canal anticipates that 200 of these locations will be converted in the year of 2022.

St. John

On June 29, 2021, St. John filed its SUSF compliance report. In the report, St. John states that it upgraded its central office transmission transport network, replaced obsolete optical network terminal equipment, and incurred operational expenses necessary to maintain its voice and broadband network. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

St. John filed its petition seeking SUSF support on July 29, 2021, and it filed a revised petition on September 2, 2021.²⁴ In its broadband plan, St. John states that it has deployed FTTP to 100 percent of the serviceable locations within its study area and it has made a commitment to deploy broadband to any new locations. The Company expects to purchase new work equipment and central office equipment necessary to install one to two fiber drops per year (and at significant cost considering the terrain and length of the drop). St. John will continue to have repair and maintenance expenses to maintain its infrastructure and will continue making payments on the loan that was used to complete its FTTP project.

Toledo

On August 6, 2021, Toledo filed its SUSF compliance report. In the report, Toledo states that over the last year, it constructed over a dozen new fiber drops and upgraded its core router to add increased middle mile capacity, parental control features, and greater redundancy. The

²³ Hood Canal revised the petition to include the number of serviceable locations with 25/3 Mbps (or faster) broadband capability and provided additional details within the Company's broadband plan.

²⁴ St. John revised the petition to include the number of serviceable locations with 25/3 Mbps (or faster) broadband capability and provided additional details within the Company's broadband plan.

Company's serviceable locations are capable of 1 Gbps symmetrical service. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Toledo filed its petition seeking SUSF support on June 28, 2021, and the Company filed a revised petition on September 22, 2021.²⁵ In its broadband plan, Toledo states it has deployed FTTP to 100 percent of the serviceable location within its study area and it made a commitment to deploy broadband services to any new locations. Over the last two years, the Company has built fiber to over 80 new homes and expects this trend to continue and anticipates at least an additional 15-20 additional fiber drops in the coming year. The Company claims that it will continue to have repair and maintenance expenses to maintain its network while also continuing to make payments on its RUS loan that was used to deploy FTTP.

Hat Island

On July 1, 2021, Hat Island filed its SUSF compliance report. In the report, Hat Island states that it utilizes the SUSF program funds toward the \$19,665 in operating expenses it incurred for maintenance of the network and provisioning voice and broadband services. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

Hat Island filed its petition seeking SUSF support on July 28, 2021, and it filed a revised petition subsequently on September 16, 2021.²⁶ In its broadband plan, the Company states that it is implementing a new OSS/BSS platform that will provide greater efficiencies in responding to customers. The company incurs repairs and maintenance expenses in connection with maintaining voice and broadband (25/3 Mbps) to 100 percent of its serviceable locations. The Company plans to explore additional funding sources to deploy fiber in the future.

Western Wahkiakum

On June 30, 2021, Western Wahkiakum filed its SUSF compliance report. In the report, Western Wahkiakum states that it utilized support towards the maintenance of the existing network while also making investments to provide more reliable and faster broadband service. The Company is currently 100 percent FTTP and continues to install, test, activate, and cutover service from copper to fiber optic facilities. Additionally, the Company continues to make principal and interest payments for the RUS loans that was used for the deployment of its FTTP. Based on Staff's review and several conversations with the Company, Staff believes the report meets the requirements of WAC 480-123-130.

²⁵ Toledo revised the petition to include the Company's number of serviceable locations with 25/3 Mbps (or faster) broadband capability, added Exhibit 2 that provides information about affiliate transactions, added a signed continued operations certificate, see WAC 480-123-110(1)(h), and retitled Exhibit 7.

²⁶ Hat Island revised the petition to include its total serviceable locations with 25/3 Mbps (or faster) broadband capability, the number of locations with expected 25/3 Mbps or faster capability, corrected an administrative error, changed its certification of eligibility from criterion three to criterion four, consistent with last year's petition, and provided additional details within the Company's broadband plan.

Western Wahkiakum filed its petition seeking SUSF support on July 28, 2021. In its broadband plan, Western Wahkiakum states that it continues transitioning locations from copper to fiber and this transition requires investment in both equipment and labor. All locations have access of broadband with speeds up to 300 Mbps, however, not all locations currently subscribe to this speed. Western Wahkiakum has opened and continues to maintain Wi-Fi hotspots for the community so that people have access to broadband service. The Company has entered into support contracts with its primary equipment vendors to ensure the maintenance of existing platforms and the enhancement of the existing platforms, as they become available.

III. Conclusion

Based on Commission Staff's review and analysis, all 18 petitioning companies have met the requirements of the State USF Program, as specified in WAC 480-123-100 and WAC 480-123-110. Commission Staff concludes and recommends that the Commission enter orders in each docket directing the distribution of \$4,850,000 from the State USF Program fund to the companies; and in the amounts listed in Attachment 1, no later than December 31, 2021.

Attachments (1) and (2)