SERVICE DATE

OCT 27 2016

BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of	DOCKET UT-144138
SALISH NETWORKS, INC.,	ORDER 01
Seeking Designation as an Eligible Telecommunications Carrier in the state of Washington pursuant to 47 U.S.C. § 214(e)(2)	ORDER GRANTING ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION

BACKGROUND

1 On December 19, 2014, Salish Networks, Inc. (Salish or Company) filed a petition[1] (Petition) with the Washington Utilities and Transportation Commission (Commission) requesting designation as an eligible telecommunications carrier (ETC) pursuant to 47 U.S.C. § 214(e)(2), 47 C.F.R. § 54.201, and Washington Administrative Code (WAC) 480-123-040 for the purpose of participating in the Federal Communications Commission's federal low-income and federal high-cost programs. Salish seeks ETC designation for the Arlington, Everett, Granite Falls, Marysville, and Stanwood exchange areas.[2]

2 On September 1, 2016, the Company filed a letter in support of its Petition clarifying that it will collect and remit E-911 taxes to the Department of Revenue on behalf of all customers in the affected exchanges, including customers residing within the boundaries of the Tulalip Indian Reservation.[3] Salish offers residential and commercial local exchange telephone services using its own facilities or a combination of its own facilities, unbundled network elements, and resale of other carriers' services. The Company also provides dark fiber and specialized telecommunications and cabling services.

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[1] On January 20, 2015, the Company filed an amended Petition to clarify the exchange areas sought for ETC designation.

[2] The Company is aware of the changes at the federal level that have occurred since the time of its initial Petition and continues to remain prepared to participate in both the high-cost and low-income programs, and to meet the Connect America Fund's emphasis on broadband availability and affordability.

[3] This clarification is significant because of state taxation litigation involving the Tulalip Tribes and the State of Washington pending in federal district court. *Tulalip Tribes v. Smith*, No. 2:15-cv-00940 (W.D. Wash. filed June 12, 2015).

3 Salish commits to advertising the availability of, and charges for, its universal service offerings using media of general distribution and will undertake outreach initiatives to increase consumer awareness of the Company's Lifeline service offerings, including to residents of federally-recognized Indian reservations within the designated service areas.

4 Commission staff (Staff) reviewed Salish's Petition and determined that designating the Company as an ETC will benefit consumers, and that the availability of an additional ETC in the proposed areas is in the public interest. Currently, AT&T Wireless and Frontier are designated as high-cost ETCs in the five affected exchanges. These companies also offer Lifeline services, as required by the FCC. In addition, TracFone and YourTel (which are prepaid wireless "Lifeline-only" ETCs) offer services to consumers in these areas. Salish, which is a facilities-based wireline provider, has petitioned for full federal ETC status, and seeks to offer both high-cost and low-income services. If approved, Salish will be Washington's first tribally-owned ETC.[4]

5 Staff finds that the Company meets the requirements for ETC designation under 47 USC § 214(e)(2), 47 CFR § 54.201, and WAC 480-123-040 as evidenced by its Petition as amended on January 20, 2015. Accordingly, Staff recommends the Commission designate Salish as an additional federal ETC for the Arlington, Everett, Granite Falls, Marysville, and Stanwood exchanges.

DISCUSSION

6 Common carriers receiving designation as ETCs under 47 U.S.C. § 214 are eligible to receive subsidies from the federal Universal Service Fund. State utility commissions are responsible for designating common carriers as ETCs for the purpose of receiving such funds. The Commission will approve applications from carriers requesting ETC designation if the application meets the requirements of WAC 480-123-030, the designation will advance some or all of the purposes of universal service found in 47 U.S.C. § 254, and the designation is in the public interest.[5]

7 The Commission agrees with Staff that the Company has demonstrated that it meets the criteria for designation as an ETC, including offering all services supported by the federal universal service support mechanisms set forth in 47 U.S.C. § 254. The Commission also agrees with Staff that granting the Company's Petition will benefit consumers and is in the public interest. Accordingly, the Commission designates Salish as an additional

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[4] State designated federal ETCs must annually report via the FCC Forms 481 and 555, as well as comply with WAC 480-120-060, -070, and -080. Some of the reporting requirements depend upon the extent to which the company receives certain types of support and others are simply required to retain ETC status from year to year.

[5] WAC 480-123-040.

federal ETC for the Arlington, Everett, Granite Falls, Marysville, and Stanwood exchanges.

FINDINGS AND CONCLUSIONS

8 (1) The Commission has jurisdiction over ETCs in Washington and the subject matter of this order under 47 U.S.C. 214(e)(2), 47 C.F.R. 54.201, and WAC 480-123.

9 (2) Salish is a telecommunications company doing business in the state of Washington. Salish has demonstrated that it meets the requirements for designation as an ETC, and that its designation is in the public interest.

10 (3) This matter came before the Commission at its regularly scheduled open meeting on October 27, 2016.

ORDER

THE COMMISSION ORDERS:

11 (1) Salish Networks, Inc.'s request for designation as federal Eligible Telecommunications Carrier in the state of Washington is GRANTED for the Arlington, Everett, Granite Falls, Marysville, and Stanwood exchanges.

12 (2) The Commission retains jurisdiction over this matter for purposes of effectuating this order.

DATED at Olympia, Washington and effective October 27, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner