



TO: Chair and Members of the Public Utility Board

FROM: William A. Gaines, Director of Utilities/CEO *WAG*

DATE: September 1, 2017

RE: Click! Network Telecommunications Franchise with the City of Puyallup

BACKGROUND: Click! Network is seeking a resolution authorizing the acceptance of a telecommunications franchise granted by the City of Puyallup. Click! Network filed an application for a telecommunications franchise with the City of Puyallup on February 22, 2017, for the purpose of obtaining the right to construct a fiber optic facility within the City's rights-of-way. The Franchise was granted by City of Puyallup by Ordinance No. 3148 dated August 22, 2017, becoming effective August 30, 2017.

DISCUSSION: The City of Puyallup telecommunications franchise grants Click! Network the right to construct, operate, maintain, replace, acquire, sell, lease and use all necessary facilities for a telecommunications network within the public rights-of-way within the City of Puyallup for a term of ten (10) years. The franchise becomes effective five (5) days after passage by Puyallup City Council and publication of a summary.

Click! will build a fiber optic cable connection from its network to the new Centeris Data Center located in Puyallup. This interconnection will enable a direct route for commercial traffic traversing the Click! Network to cross connect with a variety of carriers in the Data Center. It will also provide opportunity for Click! to acquire Internet access from multiple carriers with a presence at the Centeris Data Center, which could result in cost savings.

The interconnection will consist of both aerial and underground plant. The aerial plant will be attached to Puget Sound Energy poles under a separate pole attachment agreement. A small portion of the construction will be underground. Permits will be required for the underground plant to be placed in the rights-of-way of the City of Puyallup, and such permits will be obtained once the telecommunications franchise becomes effective. A City of Puyallup Business License was obtained as required for the grant of the Franchise.

No customers will be served nor will any revenue be generated within the City of Puyallup, thus no taxes or fees will be payable other than permit fees and an administrative franchise application fee.

There are no concerns with Click!'s ability to fulfill the obligations imposed by acceptance of the Franchise, and no budgetary impacts will occur as a result.

RECOMMENDATION: It is recommended that the Public Utility Board adopt a resolution authorizing Click! Network to execute acceptance of the Puyallup Telecommunications Franchise.