

Click! Network Partnership Update

October 8, 2019

Expansion of current partnership with family-owned internet provider, Rainier Connect, moves to next step

As we near important milestones in the partnership expansion of Click! Network, we want to make sure Click! customers have the most accurate, up-to-date information.



Recent history of Click! Network

In May 2017, Click! staff presented an all-in retail business plan for the network and provided the plan to executive management.

In 2017, a court case was filed to prevent Tacoma Power from using power funds to support Click! Network operations. In January 2018, the Board and Council rescinded their prior direction to pursue the all-in retail plan.

The Public Utility Board and Tacoma City Council evaluated a variety of options for Click! and ultimately settled on pursuing a public-private partnership, issuing a directive to the City Manager and TPU Director to collaborate on conducting a Request for Information/Quotation (RIQ) to explore public-private partnership opportunities.

As part of that effort, the City also adopted **12 Policy Goals** that would form the basis for the partnership by conducting extensive **community stakeholder collaboratives** later in 2018 to confirm that the 12 Policy Goals resonated with the community.

The 12 Policy Goals were approved by the Board and City Council in 2018.

In March 2019, after an extensive vetting process that included public feedback opportunities, the Public Utility Board and City Council voted to pursue negotiations with family-owned Rainier Connect, the winning bidder in the RIQ process, to expand the existing partnership to maintain the Click! Network as a publicly-owned asset.

Rainier Connect's proposal ensured that **Tacoma residents retain ownership of Click! Network** and included landmark commitments to:

- Net neutrality
- Customer privacy
- Customer service guarantee
- Low-income affordability
- Non-transfer to an entity with substantial market share.

In July 2019, **the Superior Court affirmed that the City of Tacoma is following a process authorized under state law** and found no basis to stop negotiations with Rainier Connect.

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Stakeholder collaboration

Click! Network will remain a publicly-owned asset, which is why policymakers directed Tacoma Public Utilities to explore public-private partnerships based on the policy goals prioritized by stakeholders and the public.

These stakeholder collaboratives helped rank the policy goals, which have been used to assess any potential public-private partnerships.

Top three policy goals

- 1 Public ownership of Click! Network** | Continuing public ownership of the telecommunications assets, especially those assets necessary for Tacoma Power operations
- 2 Preserving competition** | Preserving competition among telecommunication providers that benefits customers (such as high-quality, technologically up-to-date, and reasonably priced telecommunications services).
- 3 Affordability** | Creating low-income, affordable access to telecommunications services.

Public stakeholders considered all the policy goals important, however, the ranking determined by stakeholders indicated the goals listed below could be accomplished within the top three policy goal definitions above.



Ensuring geographically, economically and technologically equitable access



Promoting economic development and educational opportunities



Safeguarding the use of telecommunications services by Tacoma Power, the City, and other local governments



Providing job options and security for Click! staff and protecting the intellectual capital of the system



Protecting customer privacy



Enforcing net neutrality principles for all customers



Allowing open access to telecommunication assets by other telecommunication providers, to the extent such access benefits customers



Preserving Click's goodwill, including via its market-leading customer service for telecommunications customers



Maintaining financial stability of the telecommunications business operations utilizing Click! assets