



Forged Fiber 37, LLC Telecommunications Franchise Agreement (Ord. No. 26-01)

February 3, 2026

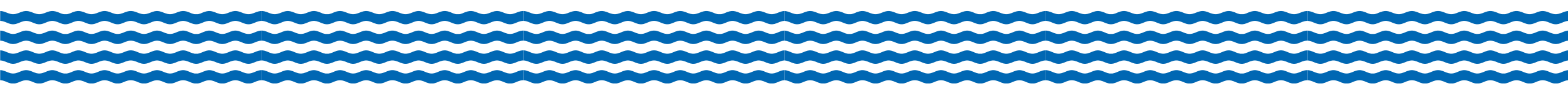
Daniel Kenny

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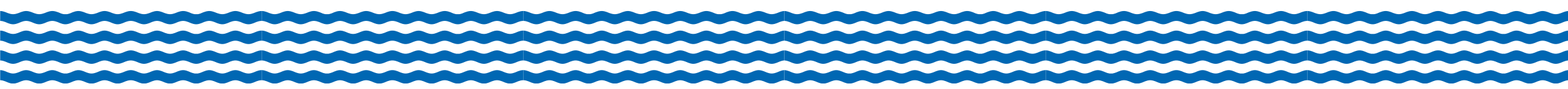
Background

- AT&T signed an agreement to purchase a portion of the fiber business of Lumen Technologies, Inc. and its affiliates (“Lumen”), which includes fiber assets and associated facilities that are located within the City’s rights-of-way.
- In advance of transfer of any assets, AT&T seeks to obtain all necessary rights to own and construct telecommunications facilities within the City’s rights-of-way under the legal entity, Forged Fiber 37, LLC.
- Forged Fiber, a wholly-owned subsidiary of AT&T, is seeking a franchise agreement to access the City’s rights-of-way for a telecommunications network.
- Forged Fiber will provide wholesale services, which will be resold to commercial and residential customers.



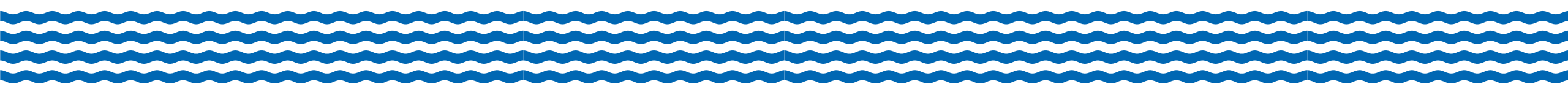
Refresher re: Franchises

- Pursuant to RCW 35A.47.040, the City has the authority to issue franchise agreements that allow the franchisee general access to the City's rights-of-way. Most franchises cover all the City's rights-of-way.
 - This does not involve regulation of business operations.
- Franchisee will still need to apply for and receive all necessary permits for any and all installations; the franchise is only the first step.
- The City has franchises with a range of companies and utilities.
 - Zayo
 - Comcast -Cable
 - Centurylink –Broadband
 - Crown Castle –Small Wireless Facilities
 - Power, gas, garbage collection, etc.



Procedure

- A company seeking a franchise must apply to the City and pay a fee deposit.
- The City prepares the franchise agreement and the applicant is able to review and provide input.
- The draft franchise is reviewed by relevant city staff as well as by legal.
- City Council is required to consider the franchise at two council meetings prior to taking action.
- If approved, the applicant signs the franchise.



Common Questions

- **Is this Franchise consistent with the treatment of other franchisees?**
- Yes. This franchise was drafted with the existing Zayo franchise (most recently approved similar franchise) in mind and seeks to treat these similarly situated entities the same. Competitive equity is required.
- **Can the City charge an ongoing fee for the franchise?**
- No. RCW 35.21.860 prohibits the imposition of a franchise fee on businesses like Forged Fiber.



Common Questions

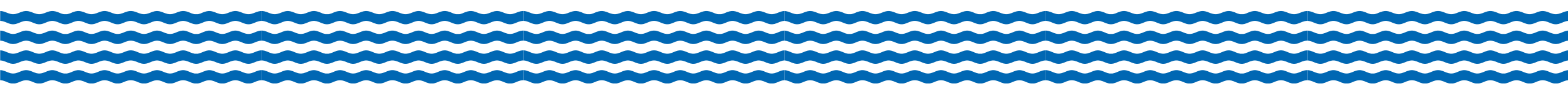
- **Will Forged Fiber be responsible for the City's costs in reviewing and approving this Franchise?**
- Yes. They are responsible for actual administrative expenses incurred by city that are directly related to receiving and approving the franchise. RCW 35.21.860. Forged Fiber provided a \$7,500 fee deposit check at the outset of this process. Actual administrative costs (including legal costs) will be deducted from this fee deposit. If money is left over, it is returned – if costs exceed this amount, additional amounts will be billed by the City.

Common Questions

- **Can the City deny the request for Franchise?**
- Yes, but it would be challenging and is strongly discouraged. First, if it were denied it would need to be supported by substantial evidence contained in a written record. RCW 35.99.030. The impacted entity can challenge in court and get injunctive relief. There is competitive equity between telecom entities. So, because there are existing franchises, the City should not deny another entrant – that makes the playing field unequal and may cause a legal challenge.

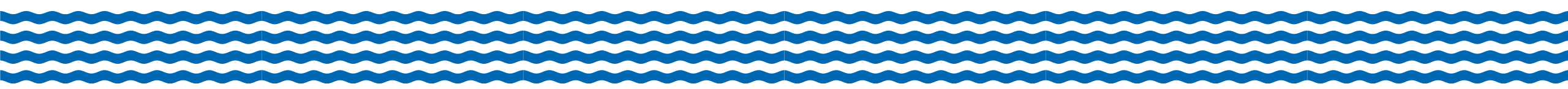
Common Questions

- **Can the City require the franchisee to build out and serve the entire City?**
- No. The City does not have authority to control or regulate the business operations of the franchisee.



Additional Questions?

Recommended Action: Schedule Ordinance No. 26-01 for second reading and adoption at an upcoming City Council Meeting.



Thank you !

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