

# Phones in remote Washington come at high cost

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STEHEKIN, Wash. – This remote outpost in the rugged Cascades is so cut off from the outside world that it has no roads leading to town and little telephone service. The 80-or-so locals relish the isolation and pristine beauty and sell it as an escape to tourists.

So when a telephone company attempted to install basic service for a handful of people who sought it, many longtime residents blasted the idea. Siblings found themselves on opposite sides of the heated dispute. Neighbors shouted obscenities across the ferry landing.

About 20 telephone lines were eventually installed at a cost of \$13,000 per line a year — all paid for by the federal government.

The federal government subsidizes telephone service in sparsely populated and low-income areas where there aren't enough customers to cover the costs. The \$8-billion-a-year program is financed by a surcharge that businesses and consumers pay on long-distance calls.

"The bottom line, it's a huge leak of ratepayer dollars, and someone has figured out how to put a funnel under that leak. They're just opportunists," said Cliff Courtney, a third-generation resident who runs a ranch for tourists.

Stehekin is less a town than a collection of rustic homes and summer cabins in the Lake Chelan National Recreation Area. The only way to get to here is by boat or floatplane up a glacier-carved lake. Most residents either own a tourism business — there's also a bakery and a few inns — or work for the National Park Service.

For years, a Park Service pay phone served as Stehekin's only public telephone, until some residents began installing expensive satellite dishes in the late 1990s for telephone and Internet service. Cell phones don't work because the area is designated wilderness, forbidding the construction of wireless towers.

The local phone service has received \$855,060 from the federal Universal Service Fund and also taken out \$1.3 million in federal loans, according to filings with the Washington state Utilities and Transportation Commission.

"Some people are going to look at that and say it's a lot of money, but we need to have telephone service in rural areas and Congress has said that," said Rick Weaver, owner of the Chelan,

Wash.-based telephone company Westgate Communications LLC, which provides the phone service under the name WeavTel.

The company isn't making money on the venture, Weaver said, and the project couldn't be done any cheaper. The company installed a fixed-wireless system rather than dig many land lines; phone lines were added both in Stehekin and the downlake community of Holden Village.

So far, service extends only up the first two miles of the Stehekin Valley, at a cost per line of \$12,986 in 2008, according to the Federal Communications Commission's latest records.

The remote community of Silverton, Wash., had a 2008 cost per line of \$13,029, the only one higher in the United States.

"It's difficult because Stehekin is probably the hardest place in Washington state to put a phone line into," Weaver said. "Given that it's surrounded by wilderness, that limits what we can do there."

Kathy and Randall Dinwiddie have lived in Stehekin since 1978 — just during the summer months now — and have been running their own lodge for 30 years. In that time, they've seen visitors require emergency help after falling off bikes, being struck by falling rocks or having heart attacks.

"I think it's really important for the health, safety and economy of the community," said Randall Dinwiddie of the phone service. But he added, "I was one of the first to complain about the cost. Stehekins don't like the idea of taxpayers paying for things."

Kris Robinson and his wife, Yamuna, experienced such a situation firsthand.

They came to Stehekin to clean out her father's home after he died last year, but rather than leave and sell the house, they decided to stay and raise their two young daughters, ages 2 and 4.

Both daughters fell ill with high fevers almost as soon as they arrived. The couple saw an immediate need for a telephone but couldn't afford a satellite dish and signed on with WeavTel.

"I could see if you had been here for years and knew how things worked in this community, you might not need a phone," Kris Robinson said. "What does happen if my kid falls in the lake or breaks her leg and I need to call for help? I just felt I needed that."

Mark Cooper, director of research for the Consumer Federation of America, said federal telecommunications policies are intended to go where the marketplace won't go, so that society doesn't end up with sharp divides in services. The question, he said, is how consumers get reasonable, comparable service at a reasonable, comparable price.

"The last, hardest place to go is going to be the most challenging," he said.

The installation in Stehekin will pay off even larger benefits later with the expansion of broadband technology, which improves rural health care, education and job growth, said Joel Kelsey,

Consumers Union policy analyst.

The phone provider plans to expand farther up the valley to more residents in the coming years. Meanwhile, the FCC has proposed using the federal fund to expand broadband to rural areas.

"There are investments in that infrastructure now that have already been laid that will enable broadband," Kelsey said. "In the long haul, that \$13,000 would pay back eventually."