

Hat Island Telephone Company
FCC Form 481 (July, 2024), Line 610
Statement Describing Ability to Function in Emergency Situations
Per Instructions for Completing FCC Form 481

SUMMARY

Hat Island Telephone Company (the “Company”) has a long-standing tradition of providing reliable voice telephony services. It is the Company’s policy and standard operating procedure to bury all of its local distribution cable and wire. The Company operates a primary local distribution and transmission node that is equipped with back-up power generation. In regard to the Company’s overall network design, the Company’s practices are consistent with Rural Utility Service (“RUS”) telecommunications industry best practices.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone Company. Together, they operate and maintain transport transmission equipment that serves the Company’s service area and that is of the highest grade. Equipment specifications, which are consistent with the RUS specifications, require both redundant power and redundant circuit interfaces. All of the Company’s transport equipment, as well as the transport and switching equipment that serves the Company’s service area and is operated by Whidbey Telephone Company, is monitored 7x24x365(366) by trained staff located at Whidbey Telephone Company’s network operations center.

NETWORK REDUNDANCY

The Company is a provider of voice telephony services to the Hat Island Exchange. The service area of the Company’s Hat Island Exchange comprises less than one (1) square mile. It is connected by submarine cable to a neighboring exchange operated by Whidbey Telephone Company, which provides local distribution connectivity, switching and transmission utilizing its facilities. A description of those facilities and of Whidbey Telephone Company’s policies and procedures relating to its ability to function in emergency situations is set forth in its response to Line 610 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

BACK-UP POWER

The Company maintains at its principal local distribution and transmission node a power plant with batteries capable of carrying the power load for a number of hours with the load typically transitioning more immediately to a generator back-up power generation. In addition, the Company has installed back-up power generation at that node, utilizing an 8kw generator, together with a dedicated fuel tank onsite designed to carry the power load multiple days. The site is equipped with an automatic transfer switch and has monitoring equipment that provides monitoring visibility with respect to loss of external commercial power and transfer switch status. Upon recognition of loss of the commercial power source, the automatic transfer switch is designed to automatically start the back-up generator and transfer the selected power source.

Alarm messages are automatically reported to key personnel, as well as to Whidbey Telephone Company's 7x24x365(366) network operations center.

Whidbey Telephone Company has in-house staff available to support the Company's operations and trained to perform all maintenance of the power plant, as well as third-party services available for support.

Affiliates* SAC	Doing Business As Company or Brand Designation
2012 Georg	522452 Abound Ventures, Inc.
2012 Georg	522452 Whidbey Telephone Company
2012 Georg	522452 Whidbey Telecom
2012 Georg	522452 Whidbey Telecom Internet & Broadband
2012 Julia I	522452 Abound Ventures, Inc
2012 Julia I	522452 Whidbey Telephone Company
2012 Julia I	522452 Whidbey Telecom
2012 Julia I	522452 Whidbey Telecom Internet & Broadband
Ian P. Henr	522452 Abound Ventures, Inc
Ian P. Henr	522452 Whidbey Telephone Company
Ian P. Henr	522452 Whidbey Telecom
Ian P. Henr	522452 Whidbey Telecom Internet & Broadband
Western Lc	522452 Western Long Distance
Western Lc	522452 Whidbey Telecom Long Distance
Western Lc	522452 Point Roberts Long Distance
Western Lc	522452 Hat Island Long Distance
American A	522452 Whidbey Telecom Security and Alarms
Hat Island	522452 Hat Island Telephone Company
Fibercloud,	522452 Fibercloud, Inc.

FCC FORM 481 (JULY 2024), LINE 1010
Descriptive Document for Compliance of Pricing of
Fixed Voice Services with Required Relationship
To Applicable National Average Urban Rate for Voice
Service Benchmark, as required by 47 C.F.R. § 54.313 (a)(10)
Per Instructions for Completing FCC Form 481

Section 54.313 (a)(10) of the rules of the Federal Communications Commission (“FCC”) requires any recipient of high-cost support, such as Hat Island Telephone Company (“Company”), annually to certify that the pricing of the Company’s voice services is no more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice issued by the Wireline Competition Bureau and Wireless Telecommunications Bureau.

The most recent such notice issued by the Wireline Competition Bureau is Public Notice DA 23-1172, released December 15, 2023, in WC Docket No. 10-90 (“Public Notice”). That public notice includes the following statements, “Based on the survey results, the 2024 rate floor for voice services is \$34.27, [footnote omitted] and the reasonable comparability benchmark for voice services is \$55.13. [footnote omitted]...In addition, each ETC, including competitive ETCs providing fixed voice services, [footnote omitted] must certify in the FCC Form 481 filed no later than July 1, 2024 that the pricing for its basic residential voice services is no more than \$55.13. [footnote omitted]” [Italics added.]

It is the Company’s understanding that the above-mentioned comparability benchmark includes the recurring residential service rate, any applicable State subscriber Line charge rate, any applicable State universal service fund rate, any applicable minimum mandatory Extended Area Service rate, and any applicable Federal subscriber line charge rate.¹

¹ See Note 5 on the “Data Dictionary” tab of the [2016 URS Voice Data.xlsx] located from the FCC webpage having the following URL:

<https://www.fcc.gov/general/urban-rate-survey-data-resources>

Those components for the Company's basic residential voice telephone service as of June 1, 2024, are as follows:

Recurring residential service rate	\$ 22.55
State subscriber line charge rate	0.00
State universal service fund rate	0.00
Minimum mandatory EAS rate	0.00
Federal subscriber line charge	<u>6.50</u>
Total	\$ 29.05

The sum of the above-identified rates (\$29.05) is not more than the voice service comparability benchmark identified in the Public Notice (\$55.13).

FCC FORM 481 (July 2024), Line 1030
Descriptive Document for Compliance of Pricing of
Broadband Services with Required Relationship
To Applicable National Average Urban Rate for Broadband
Service Benchmark, as required by 47 C.F.R. § 54.313(a)(12)
Per Instructions for Completing FCC Form 481

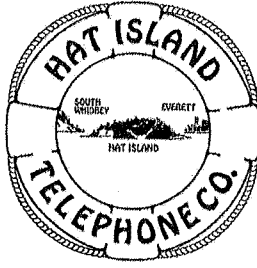
Section 54.313(a)(12) of the rules of the Federal Communications Commission (“FCC”) requires any recipient of high-cost support, such as Hat Island Telephone Company (“Company”), annually to certify that the pricing of a service that meets the Commission’s broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states of U.S. Territories where the eligible telecommunications carrier receives support.

The most recent such notice issued by Wireline Competition Bureau is Public Notice DA-23-1172, released December 15, 2024, in WC Docket No. 10-90 (“Public Notice”). That public notice includes the following: “Under the approach adopted by the Bureau in 2014, the reasonable comparability broadband benchmark varies, depending upon the supported services download and upload bandwidths and usage allowance. [footnote omitted]”

The Public Notice includes a table showing the “benchmark” rate for certain broadband service offerings and provides a URL link to an FCC webpage at which a tool to calculate “benchmarks” for other broadband service offerings may be found. The following table summarizes the broadband service plans offered to consumers by the Company and the associated “benchmark,” as determined from the Public Notice or the “tool” to which it refers:

Download Speed (Mbps) (up to)	Upload Speed (Mbps) (up to)	Usage Allowance	Benchmark	Company Pricing
25	3	Unlimited	\$89.14	\$ 55.00
30	3	Unlimited	\$92.76	\$ 65.00
30	10	Unlimited	\$92.17	\$ 75.00
50	10	Unlimited	\$92.11	\$ 85.00
50	20	Unlimited	\$93.00	\$ 95.00
100	100	Unlimited	\$92.17	\$ 65.00
300	300	Unlimited	\$106.14	\$ 85.00
1000	1000	Unlimited	\$134.35	\$ 95.00

As shown in the above table, each of the broadband service plans offered to consumers by the Company, for which, "benchmark" rates are available, is offered at a price that is below the applicable "benchmark."



June 17, 2024

Ms. Marlene H. Dortch, Secretary
Federal Communication Commission
Office of the Secretary
455 12th Street, SW
Washington, DC 20554

RE: WC Docket No. 10-90 and 14-58 –
Annual Report Due July 1, 2024, FCC Form 481 for
Rate of Return Carriers Receiving High-Cost Support
47 C.F.R. § 54.313(f)(1)(i) “Public Interest Certification”

Dear Ms. Dortch:

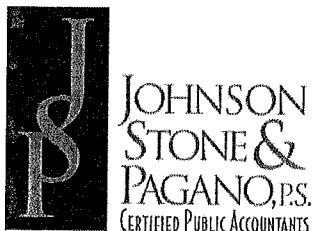
In compliance with the filing requirements associated with FCC Form 481 due July 1, 2024, and in compliance with Section 53.313(f)(1)(i) of the Commission’s rules, Hat Island Telephone Company (Study Area 522417) Herby certifies that it has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 25 Mbps downstream/3 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable offerings in urban areas, and the requests for such service were met within a reasonable amount of time.

Sincerely,

HAT ISLAND TELEPHONE COMPANY

By

Gary W. Ricketts
Secretary /Treasurer



1501 Regents Blvd., Suite 100
Fircrest, WA 98466-6060

Independent Auditor's Report

Board of Directors
Hat Island Telephone Company
Langley, Washington

Opinion

We have audited the accompanying financial statements of Hat Island Telephone Company (an S corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hat Island Telephone Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Company adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as of January 1, 2023, using the modified retrospective approach. Our conclusion is not modified with respect to this matter.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hat Island Telephone Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hat Island Telephone Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hat Island Telephone Company's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hat Island Telephone Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Johnson, Stone & Pagano, P.S.

JOHNSON, STONE & PAGANO, P.S.

April 23, 2024

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &

3060-0819 (Low Income), December 2020

Program Year: 2025

Filing Type and Contact Info

Filing Type

This information has been preselected based on High Cost and Lifeline program support paid out in the previous calendar year. If you think the filing type is incorrect, please contact USAC.

High Cost (Section 54.313)

Lifeline (Section 54.422)

Contact Information

Include contact information for the person best able to answer questions about this form.

Contact Name (030)

Moanalei McManus

Phone # (035)

(360)321-0068

(xxx) xxx-xxxx

Ext. (optional)

Contact Email Address (039)

lei.mcmanus@whidbeytel.com

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &

3060-0819 (Low Income), December 2020

Program Year: 2025

Functionality in Emergency Situations (600)

Certify

Functionality in Emergency Situations Certification (600)

Is the carrier able to function in emergency situations?



Yes



No

Descriptive Document for Functionality in Emergency Situations (610)



522417wa610.pdf (99 KB) X

PDF only

HAT ISLAND TEL CO

FCC Form 481

State: WA

OMB Control #: 3060-0986 (High Cost) &

Sac: 522417

3060-0819 (Low Income), December 2020

498 ID: 143002594

Program Year: 2025

Operating Companies (800)

Carrier Names

Reporting Carrier (810)

Hat Island Telephone company

Holding Company (811)



Abound Ventures, Inc.

Validate the information listed above (811) by selecting one of the following:

- Holding Company/Affiliate name listed above is correct. (811A)
- Holding Company/Affiliate name listed above is NOT correct. (811B)
- This study area does not have a Holding Company/Affiliate name. (811D)



Operating Company

Operating Company (812)

HAT ISLAND TELEPHONE COMPANY

Upload Operating Company Data (813A, 813B, 813C) (Optional)

[Operating Company Data Template !\[\]\(2088942ccfedc84a0a076c3fee3541aa_img.jpg\)](#)

 522417wa800.csv (1 KB) 

CSV only

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &
3060-0819 (Low Income), December 2020

Program Year: 2025

Tribal Lands Reporting (900)

Tribal Land Services

Does the filing entity offer Tribal land services? (900)

Yes

No

HAT ISLAND TEL CO

FCC Form 481

State: WA

OMB Control #: 3060-0986 (High Cost) &

Sac: 522417

3060-0819 (Low Income), December 2020

498 ID: 143002594

Program Year: 2025

Voice and Broadband Service Rate Comparability (1000)

Certify Voice

Voice Services Rate Comparability Certification (1000)

Is the carrier's pricing of fixed voice services no more than two standard deviations above the applicable national average urban rate for voice service? If you answer No to line 1000, please provide an explanation for non-compliance.



Yes



No



Not Applicable

Attach Detailed Description for Voice Services Rate Comparability Compliance (1010)



522417wa1010.pdf (133 KB) X

PDF, XLS, XLSX only

Certify Broadband

Broadband Comparability Certification (1020)

Does the carrier's broadband services pricing meet one of the following criteria? If you answer No to line 1020, please provide an explanation for non-compliance.



Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau.



Yes - Pricing is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.



No - Unable to certify broadband rate comparability



Not Applicable.

HAT ISLAND TEL CO

State: WA

Sac: 522417



498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &

3060-0819 (Low Income), December 2020

Program Year: 2025

Attach Detailed Description for Broadband Rate Comparability Compliance (1030)

 522417wa1030.pdf (68 KB) 

PDF, XLS, XLSX only

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &
3060-0819 (Low Income), December 2020

Program Year: 2025

Terrestrial Backhaul Reporting (1100)

Certify

Terrestrial Backhaul Certification (1100)

Do terrestrial backhaul options exist?



Yes



No

HAT ISLAND TEL CO

FCC Form 481

State: WA

OMB Control #: 3060-0986 (High Cost) &

Sac: 522417

3060-0819 (Low Income), December 2020

498 ID: 143002594

Program Year: 2025

Lifeline Terms and Conditions (1200)

Upload Document or Link Website

Upload a descriptive document(s) AND/OR reference a specific link to your company's website.

Terms & Conditions of Voice Telephony Lifeline Plans (1210)

PDF only

AND/OR

Link to Public Website(1220)

<https://www.whidbeytel.com/hat-island-telephone-assistance-programs/>

Confirm Information

Check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to Section 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers (1221)
- Details on the number of minutes provided as part of the plan (1222)
- Additional charges for toll calls, and rates for each such plan (1223)

HAT ISLAND TEL CO

FCC Form 481

State: WA

OMB Control #: 3060-0986 (High Cost) &

Sac: 522417

3060-0819 (Low Income), December 2020

498 ID: 143002594

Program Year: 2025

Rate of Return Data (3005)

Certify

Select from the drop down menus or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Does this filing retain a Cost Consultant and/or Firm, or other Third Party to prepare financial and operations data disclosures submitted to the National Exchange Carrier Association (NECA), USAC, or the Administrator? (3007)


Yes No

Certification of Public Interest Obligations (3010A)

Does the carrier certify compliance with the requirements in 47 CFR Sections 54.313(f)(1)(i)?

Yes - Attach Explanation No - Attach Explanation
 Not Applicable - No Attachment Required

Please Provide Attachment (3010B)

 522417wa3010.pdf (830 KB)

PDF, XLS, XLSX, DOC, DOCX only

Rate-of-Return Community Anchor Institutions (3012A)

Indicate if the carrier newly deployed broadband service to community anchor institution(s) in the previous calendar year.

Yes - Attach New Community Anchors No - No New Community Anchors
 Not Applicable - No Attachment Required

HAT ISLAND TEL CO

FCC Form 481

State: WA

OMB Control #: 3060-0986 (High Cost) &

Sac: 522417

3060-0819 (Low Income), December 2020

498 ID: 143002594

Program Year: 2025

As defined in 47 CFR Section 54.313(f)(2), is your company a Privately Held ROR Carrier? (3013)



Yes



No

Does your company file the RUS annual report? (3014)



Yes



No

Is your company audited? (3018)



Yes



No

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:



Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers (3019)



Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows (3020)



Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit (3021)

Worksheet Listing (3026)



522417wa3026.pdf (226 KB)



PDF, XLS, XLSX, DOC, DOCX only

Financial Data Summary

Enter the specified financial data below which is located on your RUS Report (attached on Line 3017) or your reviewed/audited financial statements (attached on Line 3026).

Revenue (3027)

217388

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &

3060-0819 (Low Income), December 2020

Program Year: 2025

Operating Expenses (3028)

197483

Net Income (3029)

71260

Telephone Plant In Service (TPIS) (3030)

562796

Total Assets (3031)

173132

Total Debt (3032)

0

Total Equity (3033)

289700

Dividends (3034)

0

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &
3060-0819 (Low Income), December 2020

Program Year: 2025

Certifications

Supply Chain Certifications

Section 54.9: Prohibition on the Use of Funds

I certify under penalty of perjury that no universal service support has been or will be used to purchase, obtain, maintain, improve, or otherwise support any equipment or services produced or provided by any company designated by the Federal Communications Commission as posing a national security threat to the integrity of communications networks or the communications supply chain since the effective date of the designations.

If **No** is selected, a waiver is required for each SAC which is not certified.

Yes No

Section 54.10: Prohibition on the Use of Certain Federal Subsidies

I certify that no federal subsidy made available through a program administered by the Commission that provides funds to be used for the capital expenditures necessary for the provision of advanced communications services has been or will be used to purchase, rent, lease, or otherwise obtain, any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, otherwise obtained, as required by 47 C.F.R. Section 54.10.

If **No** is selected, a waiver is required for each SAC which is not certified.

Yes No

Section 54.11: Requirements to Remove and Replace

HAT ISLAND TEL CO

State: WA

Sac: 522417

498 ID: 143002594

OMB Control #: 3060-0986 (High Cost) &
3060-0819 (Low Income), December 2020

Program Year: 2025

Prior to answering, review section 54.11 of the Commission's rules (47 CFR Section 54.11). Answer Yes if either (1) you comply with section 54.11(a), meaning you do not use covered communications equipment or services, or (2) section 54.11(d) applies to you, meaning you are not yet subject to section 54.11(a) because you are a Reimbursement Program recipient with an unexpired removal, replacement, and disposal term per section 1.50004(h) of the Commission's rules (47 CFR Section 1.50004(h)). Answer No if you do not comply with section 54.11(a), meaning you do use covered communications equipment or services.

Yes No

Accuracy Certifications

Certify

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

I understand that making willful false statements in any part of this report and/or in these certifications is punishable by fine or imprisonment pursuant to 47 U.S.C. Sections 416(c), 503(b)(1)(B), and 18 U.S.C. Section 1001.

Signature

Officer Name

Title

Gary Ricketts

Secretary - Treasurer

I understand this is a digital signature, and is the same as if I signed my name with a pen.