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August 2, 2022

Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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08/03/22 12:08
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: REVISED USF Compliance Report per WAC 480-123-130
Docket UT-210575

Dear Ms. Maxwell:

Pursuant to WAC 480-123-130, Skyline Telecom Inc submits this REVISED State USF Compliance Report for Docket UT-210575.

Please contact me if you should require any further information.

Sincerely,

Delinda Kluser
Vice-Pres, Manager
deedeek@otcconnections.net
541-932-4411

REPORT OF SKYLINE TELECOM INC COMPANY UNDER THE
WASHINGTON UNIVERSAL COMMUNICATIONS SERVICES PROGRAM
IN COMPLIANCE WITH WAC 480-123-130

July 1, 2022

Docket No. UT-210575

File electronically

1. WAC 480-123-130(1)(a) - Access Lines Served [NECA 1.3 working loops]

	January 1, 2021	December 31, 2021
Residential	_____ 99 _____	_____ 93 _____
Business	_____ 15 _____	_____ 15 _____
Broadband Lines Served		
	_____ 49 _____	_____ 42 _____

2. WAC 480-123-130(1)(a) - Use of Support

The funds received by the Company from the Universal Communications Services Program in represent monies that the Company formerly received through the Washington Exchange Carrier Association (WECA) pooling process and the reduction of support under the Federal Communications Commission’s (FCC’s) Connect America Fund InterCarrier Compensation Fund (CAF ICC) program. As such, the funds from the universal communications services program contributed to defrayal of the ongoing operation and maintenance expenses of the Company. The funds from the universal communication services program are contributing to the Company's ongoing provision of high-quality basic telecommunications service to customers residing in the area the Company serves.

In January 2022, the Company received a payment of \$114,209 from the universal communications services program for the fiscal year ending June 30, 2022.

During the first six months of 2022, the Company undertook the engineering of a fiber to the home project in the MT Hull exchange, noted as Phase 3A. This project will replace the current existing copper and is designed in three phases (Phase 3A-3C). Phase 3A has the potential to reach 22 subscribers. Permits have been secured and the necessary materials have been ordered and received for Phase 3A. Construction is slated to begin early this summer and be complete by year end. This project (3A) is budgeted for approximately \$90,000.

Phase 1 (constructed in 2020) deployed fiber to 17 locations. Phase 2 for the Mt Hull exchange was completed in the fourth quarter of 2021 and brought fiber to 15 potential subscribers at a cost of \$115,723. This total cost included both fiber and electronics. Skyline could offer speeds up to 1Gig for these fiber subscribers.

Total regulated operating expenses for 2021 total \$628,672 and non-regulated expenses which are largely broadband related total \$141,326.

Funds will also be used in 2022 to secure T-1's into our Silverton exchange. Our current provider notified the Company that the existing circuits would not be available to us due to upgrades to their network. We have secured alternative circuits, however the cost of equipment to provision these circuits will be approximately \$30,000. Unfortunately, this solution still does not allow for increased bandwidth. We are still constrained by the limitations at the meetpoint with Ziplly. Skyline Telecom would like to consider constructing a backbone into the Silverton exchange which would allow a substantial increase in the bandwidth. New backbone would also provide for broadband access to all residents rather than just 5-6 residents. Current projections for the 12 miles of fiber are almost \$1,000,000. The funds received from the Universal Communications Services Program can be viewed as contributing to the Company's ability to perform these projects, including, without limitation, the repayment of loan funds.

Currently we have 243 locations that have access to the internet. Of these locations, 127 have the ability to achieve speeds greater than or equal to 25/3.

WAC 480-123-130(1)(c): Because the company had already met its Commission-established buildout requirements by the time that its petition in this docket was submitted, broadband buildout specific location information is not included with this filing.

WAC 480-123-130(1)(d) - Unfilled Consumer Requests for New Basic Telecommunications Service*

None

* Service requests that are ongoing but still within normal processing times are not counted as unfulfilled.

WAC 480-123-130(1)(g): Skyline will file its Broadband Data Collection polygons/lists in UT-220275 no later than September 15, 2022.

WAC 480-123-130(1)(i): Skyline files its Form 477 data as set forth in UT-220001.

3. WAC 480-123-130(1)(h) - Report on Operational Efficiencies/Business Plan Modifications

The Company continually reviews its operations to determine if efficiencies can be achieved. The Company already has a plan in place to concentrate on improving broadband service while continuing to provide high-quality basic telecommunications service to the customers that are located within the area that the Company serves. The Company continues to serve the broadband needs of its subscribers, even though doing so results in a net loss of income. The funds received from the universal communications services program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

4. WAC 480-123-130(1)(j) and (k) - Other information

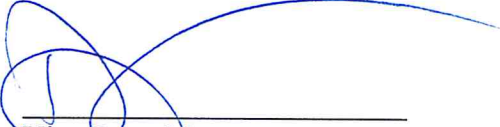
N/A

Certified Statement as required by WAC 480-123-130(1)(e & f):

I Delinda Kluser, an officer of The Company, and, in that capacity, hereby certify that The Company ("Company") (i) materially complied with all Commission rules in Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received universal communications services program support and consistent with WAC 480-123-120(5) (ii) has met its broadband deployment obligation established by the Commission.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Signed at MT Venon, Oregon this 2nd day of August 2022



Vice-Pres, Manager