

REPORT OF INLAND TELEPHONE COMPANY UNDER THE
WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM
IN COMPLIANCE WITH WAC 480-123-130

July 2, 2018

Docket No. UT-170829

File electronically

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

	January 1, 2017	December 31, 2017
Residential	<u>1,838</u>	<u>1,892</u>
Business	<u>589</u>	<u>546</u>

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

The funds received by the Company from the universal service communications program in calendar year 2017 represents 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) CAF ICC Program. As such, the funds from the universal service communications program contributed to the ongoing operation and maintenance expenses of the Company. The funds from the universal service communication 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 December 2017, the Company received \$403,942 from the universal service communications program for the fiscal year ending June 30, 2018 which represents monies that the Company formerly received through the WECA pooling process and the reduction of support under the FCC's CAF ICC Program.

During the first six months of 2018 the Company continued to connect fiber-to-the-premise customers in the Roslyn exchange. The Company's Rural Utilities Service ("RUS") loan/construction period closed in October 2016, which concluded the major fiber infrastructure for the fiber-to-the-premise project in its Roslyn exchange; approximately 500 subscribers to were connected at their premises at that time. This left approximately 1,000 subscribers to be connected. Approximately 700 subscribers were connected during 2017 prior to snowfall. The continuing project of connecting customers did not resume until March 2018, as melting snow permitted. The Company anticipates completing connection by August 2018. The funds received from the universal service

communications program can be viewed as contributing to the Company's ability to perform those projects, including, without limitation, the repayment of loan funds; borrowing approximately \$16,000,000 in this latest RUS loan. In the second half of 2018 the Company plans extending fiber in Roslyn exchange, replacing cabinets currently equipped with ADSL2+ technology with VDSL2+ technology and also adding additional cabinet equipped with VDSL2+ technology in its Dewatto exchange, and adding more subscriber cabinets equipped with VDSL2+ technology in its Uniontown exchanges in order to decrease loop lengths and increase broadband speeds; these projects will all be dependent on resources.

3. WAC 480-123-130(1)(c) - 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.

4. WAC 480-123-130(1)(e) - FCC Form 477

This form was previously filed on or about March 1, 2018 under Docket UT-180002.

5. WAC 480-123-130(1)(f) - 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 areas that the Company serves. The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

6. WAC 480-123-130(1)(g) and (h) - Other information

N/A

Certified Statement as required by WAC 480-123-130(1)(d):

I, James K. Brooks, am an officer of Inland Telephone Company, and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that Inland Telephone Company materially complied with Commission rules under Chapter 480-120 WAC that are applicable to the Company and its provision of service within the area for which the Company received universal service communications program support.

Signed at Roslyn, Washington this 25th day of May, 2018.



James K. Brooks
Treasurer/Controller