

**REPORTS PURSUANT TO WAC 480-123-070  
AND WAC 480-123-080**

**M&L Enterprises, dba Skyline Telephone** (the “Company”) hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.<sup>1</sup>

Report 1 A: Report on use of Federal funds and benefits to customers - WAC 480-123-070(1)(a): Attached is a copy of the Company’s NECA-1 Report for the calendar year 2005, that, as of the date of the report, the Company expects that it will report as the basis for support from the federal high-cost fund.

Report 1 B: WAC 480-123-070(1)(b): The Company reports that the investments and expenses reported under Report 1, above, benefited customers as follows:

Through the expenditure of these funds, the Company was able to continue to provide services at a level that the Company believes meets the intent set forth in 47 U.S.C. §254 of providing quality telecommunications services to customers in the service area for which the Company is designated as an ETC.<sup>2</sup> The Company has made substantial investments over the past several years which allow it to provide quality telecommunications services to its customers in its designated ETC service area. Those expenditures and investments, including those reflected in Report 1, above, generally benefit all customers receiving the federal high-cost fund supported services from the Company within its designated ETC service area.

Report 2: Local Service Outage Report. The Company has had no services outages of thirty minutes or more.

Report 3: Report on Failure to Provide Service. The Company has no held orders and no known areas where customers who want service cannot get service.

Report 4: Report on Complaints per One Thousand Handsets or Lines. WAC 480-123-070(4): The Company reports that the Company has had one complaint during calendar year 2005 to the Consumer Protection Division of the Office of the Attorney General of the State of Washington and zero complaints to the Federal Communication Commission.<sup>3</sup> The one complaint that was received was resolved within 30 days and pertained to directory listing information provided by Qwest DEX. As a result we have improved our data-input to Qwest DEX to reduce similar errors.

Report 5: WAC 480-123-070(5): Certification of compliance with applicable service quality standards is attached.

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<sup>1</sup> It is the Company’s understanding that it is not required to submit the reports described in WAC 480-123-070(2) and (3).

<sup>2</sup> The term “ETC” is used in the same sense as the term is used in Chapter 480-123 WAC.

<sup>3</sup> The references to the services supported by the federal high-cost fund is to the services designated for support as set forth in 47 C.F.R. §54.101(a).

Report 6: WAC 480-123-070(6): Certification of ability to function in emergency situations is attached.

Report 7: WAC 480-123-070(7): Certification and affidavits of publication regarding the availability of telephone assistance programs, annual notices and web page information are attached.

Report 8: Plan for USF Expenditures WAC 480-123-080(1)(a): The Company expects to use the federal support received during the period October 2006-September 2007 to continue to maintain and upgrade services in the designated service area. In particular, we plan to use some of these funds for switch upgrades and implementing SS7 services. All customers in the area will benefit from these expenditures and they will manifest as improved call completion times, better reliability, improved ability to monitor our own network, and the availability of operator services.

WAC 480-123-080(1)(b): As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the period October 1, 2006, through September 30, 2007, that the Company expects to use as a basis to request federal high-cost support are expected to be relatively similar to those investments and expenses the Company has set forth in its information filed under Report 1, above, taking into account normal fluctuations in investment and expense levels. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2005, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials.

WAC 480-123-080(2): The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area do not include a major construction project at the present time. The Company expects that it will have relatively the same level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2005. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2007. The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service.