

WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM  
WAC 480-123-130 REPORT

July 1, 2015

Docket No. UT-141533

File electronically

Access Lines Served - WAC 480-123-130(1)(a)

	January 1, 2014	December 31, 2014
Residential	2,316	2,123
Business	548	519

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

The funds received by the Company from the universal service communications program represents monies that the Company formerly received through the Washington Exchange Carrier Association pooling process. 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 addition, the Company undertook several construction and maintenance projects. The Company expanded its transport network by entering into a long-term dark fiber leasing arrangement and constructing a middle mile fiber to a meet point in Tacoma. This project provides the company with additional transport capacity and redundancy.

The Company expanded on existing customer service areas (CSAs) at a cost in excess of \$50,000. The expansion of CSAs provides additional capacity for higher broadband speeds to current customers and provides a platform on which additional telecommunications services, including, but not limited to, advanced services, can be provided to customers. These projects improve service to the Company's customers within the 832 and 879 exchanges with a significant growth potential to adjacent properties in its designated ETC service area.

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.

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

None

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

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

Currently portions of FCC Form 477 submitted to the FCC in an electronic file format do not create a readable report of the data. The FCC is developing reports that should be available no later than August 1, 2015 and will include 2014 data. If these reports are not available by this date, the Company will work with Staff to provide this information in an agreed upon format and in a timely manner.

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

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 has a four-year plan to upgrade aging portion of its outside plant and network infrastructure to a FTTP (Fiber-to-the-premise) architecture. The Company plans to build-out FTTP in the town area of Eatonville exchange including residential lake areas, and also plans to build out FTTP in portions of the rural areas of the Kapowsin exchange. The FTTP network architecture would provide these customers of the Company access to voice, multimedia, and data services over one unified access platform.

The Company plans to place remote terminals strategically in order to shorten copper loops to 5,000 feet or less, and then plans to groom the copper loops and begin offering higher data rates in areas that were previously limited by loop distance.

The Company's plan to upgrade its existing aging copper loops within their Fiber-in-the-Loop (FITL) network servicing the Eatonville and Kapowsin exchanges should increase operating efficiencies through the implementation of a newer, single technology platform and decrease maintenance associated with the current aging cable and circuit equipment.

The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

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

None

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

I, Brian Haynes, am an officer of Mashell Telecom, Inc., and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that Mashell Telecom, Inc. 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.

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President/Chief Executive Officer