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State of WASH. UTIL. AND TRANSP. COMMISSION



PO Box 609 Mount Vernon, OR 97865-0609 1-888-383-4132

June 25, 2018

Mark L. Johnson Executive Director and Secretary Washington Utilities and Transportation Commission 1300 S Evergreen Park Drive SW PO BOX 47250 Olympia, WA 98504-7250

RE: USF Compliance Report per WAC 480-123-130

Dear Mr. Johnson

Pursuant to WAC 480-123-130, Skyline Telecom Inc. submits this State USF Compliance report for Docket UT-170861.

If you should have further questions or concerns, please don't hesitate to contact me.

Sincerely,

Delinda Kluser Vice-Pres, Manager dkluser@ortelco.net 541-932-4411

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

June 25, 2018

Docket No. UT-170861

File electronically

| 1. | WAC 480-123-13 | 30(1)(a) - A | Access Lines S | Served [NECA 1 | 1.3 working loops] |
|----|----------------|--------------|----------------|----------------|--------------------|
|----|----------------|--------------|----------------|----------------|--------------------|

| | January 1, 2017 | December 31, 2017 |
|-------------|-----------------|-------------------|
| Residential | 99 | 89 |
| Business | 17 | 18 |

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

The funds received by the Company from the universal communications services program in calendar year 2017 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) Intercarrier Compensation portion of the Connect America Fund (ICC CAF). 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 December 2017, the Commission set aside for the Company \$92,091 from the universal communications services program for the fiscal year ending June 30, 2018. The purpose of this set-aside is to fund a portion of the cost of extending facilities to bring higher capacity Internet access service to the customers.

During the first six months of 2018, the Company once again attempted to initiate negotiations with Snohomish County PUD and Frontier Communications for pole contact agreements in order to construct an aerial fiber route from the Company's Silverton exchange to a meet point location with Frontier. The Company also inquired about an ETS circuit for transport of internet traffic to our colocation point. Unlike past efforts, this attempt produced executed pole attachment agreements. At the current time, the Company is waiting for the PUD's engineer to review the route in order to determine any make ready work, such as pole replacement or maintenance. Once this work is determined and completed, the Company can begin construction. The contractor is ready

to begin construction as soon as is feasible. An ASR for the circuit transport is ready to sign onceconstruction begins.

The funds set-aside from the universal communications services program can be viewed as contributing to the Company's ability to construct that project, including, without limitation, the repayment of loan funds.

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 area that the Company serves. The funds received from the universal communications services 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, Delinda Kluser, am an officer of Skyline Telecom Inc, and upon personal knowledge and with responsibility therefor, hereby certify under penalty of perjury, that Skyline 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 communications services program support.

Signed at Mount Vernon, Oregon this 25 day of June, 2018.

Vie-Pres, Manager