

July 12, 2010

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: 2010 ETC Certification - Request for Certification Pursuant to WAC 480-123-060 and 47C.F.R. §54.314

Dear Ms. Washburn:

Pursuant to WAC 480-123-060, Mashell Telecom, Inc. ("Company") hereby requests that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds.

The certifications and reports that are specified in WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080 are enclosed.

If there are any questions concerning the foregoing, please contact the undersigned at 360-832-4130.

Sincerely,



Danielle Clausen

Enclosures

cc: Betty Erdahl (WUTC Staff)
Rick Finnigan



**AFFIDAVIT CONTAINING CERTIFICATIONS
PURSUANT TO WAC 480-123-060 AND WAC 480-123-070**

I, Brian Haynes, being of lawful age, state that I am Chief Executive Officer/President of Mashell Telecom, Inc. ("Company"), that I am authorized to execute this Affidavit on behalf of the Company, and that the facts set forth in this Affidavit are true to the best of my knowledge, information and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission ("Commission") for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

- (1) That the Company will use federal high-cost universal service fund support only for the provision, maintenance and upgrading of the facilities and services danielfor which the support is intended;
- (2) That during the 2009 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);
- (3) That during the 2009 calendar year, the Company maintained the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and
- (4) That during the 2009 calendar year, the Company publicized the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service and in a manner which, in the Company's judgment, included advertisements likely to reach those who are not current customers of the Company within the Company's designated service area.

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

Dated this 15th day of July, 2010, at 2516 Holgate Street, Tacoma.

Company: Mashell Telecom, Inc.

By:  _____

Its: Chief Executive Officer/President

**REPORTS AS REQUIRED BY WAC 480-123-070
AND WAC 480-123-080**

Mashell Telecom, Inc. (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.¹

Report 1: WAC 480-123-070(1)(a): Attached is a copy of the Company's NECA-1 Report for the calendar years 2009 and 2010, that, as of the date of the report, the Company is reporting as the basis for support from the federal high-cost fund.

Report 2: 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 high quality telecommunications services to customers in the service area for which the Company is designated as an ETC.² 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 service area. In addition, during 2009, the Company was engaged in several major investment projects within its designated ETC service area as described below:

The Company expanded on existing customer service areas (CSAs) at a cost in excess of \$400,000. The expansion of CSAs provides additional capacity for 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 with a significant growth potential to adjacent properties in its designated ETC service area. Of the \$400,000 investment above, \$302,000 was fiber or cable placement to serve new developments within the 832 and 879 exchanges. The remaining investment was to replace and upgrade plant servicing existing customers within the 832 and 879 exchanges.

Report 3: WAC 480-123-070(2): The Company reports that during the calendar year 2009, the Company experienced no major outages exceeding 48 hours.

Report 4: WAC 480-123-070(3): The Company reports no requests for service from applicants within the designated service area that were unfulfilled for the calendar year 2009.

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

Report 5: WAC 480-123-070(4): The Company reports that during the calendar year 2009, the Company did not receive from the Federal Communications Commission any complaints against the Company made by the Company's customers. The Company reports that during the calendar year 2009, the Company did receive the following customer complaints from the Consumer Protection Division of the Office of the Attorney General of the State of Washington which were resolved timely and have since been closed by the Consumer Protection Division.

Complaint #348254 alleged a consumer was billed beyond service obligations, and the consumer requested a refund for services not delivered. The customer contracted the Company to provide Internet Domain Name (Website) Hosting Services. The customer had difficulty logging in to upload her website to our servers and our technicians were unable to resolve the problem, so she called us to cancel her service. Apparently, there was a misunderstanding and our technician thought the customer wanted to cancel not only her web hosting services but her domain registrations as well. In fact the domain registrations needed to be kept active in order to move them to another provider. Once notified of the issue, our technicians attempted to re-activate the domain names. Because we work with a third party it took two or three days to re-activate the domain registrations, which was longer than the customer or our company would have liked. The customers three domain names have been moved to her chosen provider, and we have confirmed with the customer that the matter is resolved, and she is no longer looking for a refund.

Complaint #107595 alleged a consumer is being charged local tax on his phone bill. The consumer called the Company to find out what the charge was for and the customer representative could not tell him and referred him to the UTC. Consumer is inquiring if the tax is a county sales tax because he is not within the city limits. The customer was contacted by the Company's billing department and informed that the charge was in fact for county taxes. It was discovered at this time that he was being taxed the incorrect rate and the customer was refunded the excess charges. In an effort to avoid future instances such as this, the Company has advised all customer representatives to refer consumers to the billing department personnel if they can not assist them with billing questions or concerns.

Report 6: WAC 480-123-080(1)(b) and WAC 480-123-080(2): The Company reports as follows:

As they are known to the Company at the date of this Report, the planned investment and expenses related to Washington state for the periods January 1, 2010 through December 31, 2010, and January 1, 2011 through December 31, 2011, 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 2009, subject to the effects of inflation and other commonly experienced changes in cost of labor and materials. The Company does not anticipate major adjustments in staffing levels for the relevant period. 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 2009. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2011.

In addition to the foregoing, in 2010 the Company budgeted \$300,000 on construction projects in order to decrease outages and increase reliability of the network for all subscribers located within the 832 and 879 exchanges. The Company has also allocated some of the above funds to expand into local developments as construction opportunities within the community arise.

The expected benefit to customers from the anticipated investment and expenditures is that customers will continue to receive a high level of telecommunications service in our two exchange areas, 832 & 879. As to the specific investment projects identified above, it is expected that customers will benefit by increased reliability of service and the increased availability of a broader range of telecommunications services, including, but not limited to, advanced services. The projects are expected to provide a benefit to all of the Company's customers in the Company's designated ETC service area.

Universal Service Fund
Data Collection Form

SAC: 522431

SA Name: Mashell Telecom, Inc.

Region: Pacific

I. CHANGE CARRIER/DATA IDENTIFICATION

(010)	Study Area Code	(010)	<u>522431</u>
(020)	Contact Name	(020)	<u>Danielle Clausen</u>
(030)	Contact Telephone Number	(030)	<u>360.832.4130</u>
(040)	USF Data Collection Period	(040)	<u>2009-1</u>

<u>Data Line</u>	<u>Description</u>	<u>Latest View 2008-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2009-1 Amount</u>	<u>Data Source</u>
II. WORKING LOOPS					
(060)	Total Loops (Cat. 1.1, 1.2 and 1.3)	<u>3,827</u>	(060)	<u>3,668</u>	
(070)	Category 1.3 Loops (Excluding Cat. 1.3 TWX Loops)	<u>3,808</u>	(070)	<u>3,652</u>	
(080)	Reserved				
III. INVESTMENT, EXPENSE AND TAXES					
Net Plant Investment					
(160)	Acct. 2001 - Telephone Plant in Service	<u>14,346,416</u>	(160)	<u>15,219,392</u>	
(170)	Acct. 1220 - Materials and Supplies	<u>138,294</u>	(170)	<u>59,175</u>	
(190)	Acct. 3100 - Accumulated Depreciation	<u>11,348,022</u>	(190)	<u>12,419,328</u>	
	Acct. 3400 - Accumulated Amortization Tangible	<u>0</u>	(195)	<u>63,551</u>	
(200)	Reserved	N O	E N T R Y	R E Q U I R E D	
(205)	Reserved	N O	E N T R Y	R E Q U I R E D	
(210)	Acct. 4340 - Net Noncurrent Deferred Operating Income Taxes	<u>30,085</u>	(210)	<u>127,415</u>	
(220)	Net Plant Investment (Sum of Lines 160 + 170 Minus Lines 190 Through 210)	<u>3,106,603</u>	(220)	<u>2,668,273</u>	Calculation

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Region: Pacific

Line	Description	Latest View 2008-1 Amount	Data Line	Pending View 2009-1 Amount	Data Source
Selected Plant Accounts					
(230)	Acct. 2210 - Central Office Switching Equipment	1,121,377	(230)	1,164,084	
(235)	Acct. 2220 - Operator System Equipment	0	(235)	0	
(240)	Acct. 2230 - Central Office Transmission Equipment	2,923,932	(240)	3,051,789	
(245)	Total Central Office Equipment (Sum of Lines 230 Through 240)	4,045,309	(245)	4,215,873	Calculation
(250)	Circuit Equipment Category 4.13	2,055,598	(250)	2,128,499	
(255)	Acct. 2410 - Cable and Wire Facilities Total	8,324,203	(255)	8,371,664	
(260)	Acct. 3100 (2210) - Accumulated Depreciation Central Office Switching Equipment	1,043,312	(260)	1,159,904	
(265)	Acct. 3100 (2220) - Accumulated Depreciation Operator System Equipment	0	(265)	0	
(270)	Acct. 3100 (2230) - Accumulated Depreciation Central Office Transmission Equipment	2,316,755	(270)	2,864,704	
(275)	Acct. 3100 (2210-2230) - Total Accumulated Depreciation Central Office Equipment (Sum of Lines 260 Through 270)	3,360,067	(275)	4,024,608	Calculation
(280)	Acct. 3100 (2410) - Accumulated Depreciation Cable and Wire Facilities	6,627,178	(280)	7,004,296	

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Line	Description	Latest View 2008-1 Amount	Data Line	Pending View 2009-1 Amount	Data Source
(285)	Reserved				
(290)	Reserved				
(295)	Reserved				
(300)	Reserved				
(305)	Reserved				
(310)	Acct. 4340 (2210) - Net Noncurrent Deferred Operating Income Taxes - Central Office Switching Equipment	<u>31,806</u>	(310)	<u>44,483</u>	
(315)	Acct. 4340 (2220) - Net Noncurrent Deferred Operating Income Taxes - Operator System Equipment	<u>0</u>	(315)	<u>0</u>	
(320)	Acct. 4340 (2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Transmission Equipment	<u>24,308</u>	(320)	<u>67,326</u>	
(325)	Acct. 4340 (2210-2230) - Net Noncurrent Deferred Operating Income Taxes - Central Office Equipment (Sum of Lines 310 Through 320)	<u>56,114</u>	(325)	<u>111,809</u>	Calculation
(330)	Acct. 4340 (2410) - Net Noncurrent Deferred Operating Income Taxes - Cable and Wire Facilities	<u>(78,691)</u>	(330)	<u>(38,127)</u>	

Universal Service Fund
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ta ie	Description	Latest View 2008-1 Amount	Data Line	Pending View 2009-1 Amount	Data Source
Plant-Specific Operation Expense					
(335)	Acct. 6110 - Network Support Expense Total	41,351	(335)	29,152	
(340)	Acct. 6110 - Benefits Portion of Network Support Expense	289	(340)	139	
(345)	Acct. 6110 - Rents Portion of Network Support Expense	0	(345)	0	
(350)	Acct. 6120 - General Support Expense Total	304,232	(350)	322,454	
(355)	Acct. 6120 - Benefits Portion of General Support Expense	14,448	(355)	11,355	
(360)	Acct. 6120 - Rents Portion of General Support Expense	110,906	(360)	153,922	
(365)	Acct. 6210 - Central Office Switching Expense - Total	156,139	(365)	108,248	
(370)	Acct. 6210 - Benefits Portion of Central Office Switching Expense	17,985	(370)	2,810	
(375)	Acct. 6210 - Rents Portion of Central Office Switching Expense	0	(375)	0	
(380)	Acct. 6220 - Operator System Expense - Total	0	(380)	0	
(385)	Acct. 6220 - Benefits Portion of Operator System Expense	0	(385)	0	
(390)	Acct. 6220 - Rents Portion of Operator System Expense	0	(390)	0	
(395)	Acct. 6230 - Central Office Expense - Transmission Equipment - Total	152,592	(395)	234,705	

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<u>Line</u>	<u>Description</u>	<u>Latest View 2008-1 Amount</u>	<u>Data Line</u>	<u>Pending View 2009-1 Amount</u>	<u>Data Source</u>
(400)	Acct. 6230 - Benefits Portion of Central Office Expense - Transmission Equipment	25,956	(400)	30,820	
(405)	Acct. 6230 - Rents Portion of Central Office Expense - Transmission Equipment	943	(405)	628	
(410)	Accts. 6210-6230 - Central Office Expense Total (Sum of Lines 365 + 380 + 395)	308,731	(410)	342,953	Calculation
(415)	Reserved	N O E N T R Y R E Q U I R E D			
(420)	Reserved	N O E N T R Y R E Q U I R E D			
(425)	Reserved	N O E N T R Y R E Q U I R E D			
(430)	Acct. 6410 - Cable and Wire Facilities Expense - Total	363,032	(430)	304,807	
(435)	Acct. 6410 - Benefits Portion Cable and Wire Facilities Expense	68,712	(435)	61,786	
(440)	Acct. 6410 - Rents Portion Cable and Wire Facilities Expense	14,370	(440)	6,728	
(445)	Total Plant-Specific Expense (Sum of Lines 335 + 350 + 365 + 380 + 395 + 415 + 430)	1,017,345	(445)	999,366	Calculation
Plant-Nonspecific Expense					
(450)	Acct. 6530 - Network Operations Expense - Total	206,966	(450)	210,691	
(455)	Acct. 6530 - Benefits Portion Network Operations Expense	53,925	(455)	45,606	

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Line	Description	Latest View 2008-1 Amount	Data Line	Pending View 2009-1 Amount	Data Source
(465)	Reserved				
(470)	Reserved				
(480)	Reserved				
(485)	Reserved				
(500)	Reserved				
(505)	Reserved				

Depreciation and Amortization Expenses

(510)	Acct. 6560 (2210) - Depreciation and Amortization Expense - Central Office Switching Equipment	<u>189,719</u>	(510)	<u>114,659</u>	
(515)	Acct. 6560 (2220) - Depreciation and Amortization Expense - Operator System Equipment	<u>0</u>	(515)	<u>0</u>	
(520)	Acct. 6560 (2230) - Depreciation and Amortization Expense - Central Office Transmission Equipment	<u>350,836</u>	(520)	<u>322,107</u>	
(525)	Acct. 6560 (2210-2230) Depreciation and Amortization Central Office Equipment (Sum of Lines 510 Through 520)	<u>540,555</u>	(525)	<u>436,766</u>	Calculation
(530)	Acct. 6560 (2410) - Depreciation and Amortization Expense - Cable and Wire Facilities	<u>437,773</u>	(530)	<u>381,828</u>	

Corporate Operating Expenses

(535)	Acct. 6710 - Executive and Planning Expense - Total	<u>1,565,463</u>	(535)	<u>1,211,487</u>	
(540)	Acct. 6710 - Benefits Portion Executive and Planning Expense	<u>886,697</u>	(540)	<u>365,257</u>	

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Line	Description	Latest View 2008-1 Amount	Data Line	Pending View 2009-1 Amount	Data Source
(550)	Acct. 6720 - General Administrative Expense - Total	738,164	(550)	799,898	
(555)	Acct. 6720 - Benefits Portion - General Administrative Expense	77,489	(555)	73,352	
(565)	Total Corporate Operations Expense (Sum of Lines 535 + 550)	2,303,627	(565)	2,011,385	Calculation
Other Expenses and Revenues					
(600)	Benefits Portion of All Operating Expenses - Total	1,284,335	(600)	752,734	
(610)	Rents Portion of All Operating Expenses - Total	126,219	(610)	161,278	
(620)	Reserved	NO ENTRY REQUIRED			
(630)	Reserved	NO ENTRY REQUIRED			
Taxes					
(650)	Acct. 7200 - Operating Taxes	192,183	(650)	209,013	
(655)	Reserved	NO ENTRY REQUIRED			
IV. PART 36 - COST STUDY DATA					
(700)	Acct. 2410 - Cost Study Average Cable and Wire Facilities	8,213,122	(700)	8,347,934	
(710)	Cost Study Average Cable and Wire Facilities Cat. 1 - Total Exchange Line C&WF Excluding Wide Band	7,494,403	(710)	7,760,306	

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Line	Description	Latest View 2008-1 Amount	Data Line	Pending View 2009-1 Amount	Data Source
V. AMORTIZABLE TANGIBLE ASSETS (Refer to instructions prior to completing this section)					
(800)	Acct. 2680 - Amortizable Tangible Assets	286,065	(800)	607,398	
(805)	Acct. 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment	0	(805)	165,412	
(810)	Acct. 2680 (2230) - Amortizable Tangible Assets - Central Office Transmission Equipment Allocated to Category 4.13	0	(810)	115,368	
(815)	Acct. 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities	0	(815)	0	
(820)	Acct. 2680 (2410) - Amortizable Tangible Assets - Cable and Wire Facilities Allocated to Category 1	0	(820)	0	
(830)	Acct. 6560 (2680) - Depreciation and Amortization Expense - Amortizable Tangible Assets	0	(830)	63,848	
	Sum of Data Collection Inputs	88,372,895		91,501,565	Sum of Line 060 - 830

COMMENTS/SIGNIFICANT CHANGE EXPLANATION

VI. RENT REVENUE: OFFSET TO EXPENSE

(1)	Account 6120 - General Support Expense	0		0	Correct Year Input form
(2)	Account 6210 - Central Office Switching Expense	0		0	Correct Year Input form
(3)	Account 6220 - Central Office Operator Expense	0		0	Correct Year Input form
(4)	Account 6230 - Central Office Transmission Expense	0		0	Correct Year Input form
(5)	Account 6310 - Information Orig/Term Expense	0		0	Correct Year Input form
(6)	Account 6410 - Cable & Wire Facilities Expense	0		0	Correct Year Input form
	TOTAL	0		0	Ln 1-6