



July 24, 2013

BY HAND

Mr. Steven V. King, Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

2013 JUL 24 PM 2:32

Dear Mr. King:

Re: 2013 ETC Certification
Request for Certification Pursuant to
WAC 480-123-060 and 47 C.F.R. § 54.314

Pursuant to WAC 480-123-060, Kalama Telephone Company (“Company”) hereby requests that the Washington Utilities and Transportation Commission certify to the Federal Communications Commission and the Universal Service Administrative Company that the Company has met the requirements of 47 C.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.¹

Sincerely,

Steven D. Hanson
President

Enclosures

¹ Item (1) of the enclosed certifications also includes a certification (in addition to those that have been furnished in prior years) that corresponds to a new certification required of the Commission by 47 C.F.R. § 54.314(a).

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

I, Steven D. Hanson, being of lawful age, state that I am Vice President of Kalama Telephone Company (“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 for which the support is intended, and that all federal high-cost support provided to the Company within the State of Washington has been used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrading of facilities and services for which the support is intended;¹

(2) That during the 2012 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);


(3) That during the 2012 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 2012 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 24th day of July, 2013 at Tenino, Washington.

Company: Kalama Telephone Company

By:  _____
Its: President

¹ As used herein, the terms “preceding calendar year” and “coming calendar year” are intended to have the same meaning as those terms have in 47 C.F.R. § 54.314(a).

**REPORTS AS REFERENCED IN WAC 480-123-070
AND WAC 480-123-080**

Kalama Telephone Company (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 year 2012,² that, as of the date of the report, the Company has reported as the basis for support from the federal high-cost fund. That report also includes certain data for the calendar year 2011.

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.³ The Company has made substantial expenditures and 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 services⁴ from the Company within its designated service area. In addition, during 2012, the Company was engaged in a number of major investment projects within its designated ETC service area, including the following:

- (1) The Company installed Digital Subscriber Line (DSL) equipment at a cost of approximately \$212,500. This equipment allows the Company to offer improved download speed and provided growth capacity.
- (2) The Company installed exchange line circuit equipment at a cost of approximately \$88,500. This project improved service for approximately 200 customers, plus allowing for future growth in the area served.
- (3) The Company installed a major cable and wire facilities project. The total cost of this project was approximately \$60,000. This project improved service for approximately 200 customers, plus providing capacity for growth in the area served.

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).

² The attached report replicates National Exchange Carrier Association, Inc. Universal Service Data Collection Form 2011-1.

³ The term “ETC” is used herein with the same meaning as the term is used in Chapter 480-123 WAC.

⁴ References herein to the services supported by the federal high-cost fund refer to the services designated for support as set forth in 47 C.F.R. § 54.101(a).

Report 3: WAC 480-123-070(4): The Company reports that during the calendar year 2012, the Company did not receive from either the Federal Communications Commission or the Consumer Protection Division of the Office of the Attorney General of the State of Washington any complaints against the Company made to them by the Company's customers.

Report 4: WAC 480-123-080(1)(b) and (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 period January 1, 2013, through December 31, 2013, 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 for calendar year 2012 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 2012, 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 during calendar year 2013 it will have relatively the same level of expenditure and investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2012. The Company's investment plans directly affecting federal high-cost supported services offered by it in its designated ETC service area also include the following major construction projects for 2013:

- (1) The Company plans to install exchange line circuit equipment at a cost of approximately \$206,000. This project will improve service for approximately 300 customers, plus allowing for future growth in the area served.
- (2) The Company plans to construct three large cable and wire facilities projects. The total cost of these projects will be approximately \$113,000. This project will improve service for approximately 350 customers, plus provide additional capacity for growth in the area served

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 January 1, 2014, through December 31, 2014, 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 investments and expense levels. The Company expects that levels of expenses will remain relatively the same as those experienced in calendar year 2012, 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'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 a similar level of investment related to maintenance, replacement and minor upgrades of equipment and plant as occurred in calendar year 2012. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2014.

The Company expects that the continued receipt of federal high-cost support will aide the Company's efforts to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. However, the Company projects that with reductions in intercarrier compensation and associated federal support, those efforts will need to be supplemented by support from the state universal service fund for the Company to be able to continue to maintain reasonably comparable rates. All customers in the Company's designated ETC service area will benefit from the expected level of support and other factors, such as support from the state fund, continuing to aide efforts to have available to the customers services that are comparable to the telecommunications services offered in urban areas at rates that are comparable to the rates for such services in urban areas.

Dated: July 24, 2013