

**STATE OF WASHINGTON
ELIGIBLE TELECOMMUNICATIONS CARRIER (ETC) ANNUAL
RE-CERTIFICATION AS REQUIRED BY WAC 480-123-060, 070
AND 080**

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Section 1: Eligible Telecommunication Carrier Information

Date of ETC Annual Report: July 18, 2014

Company Name: Inland Cellular LLC (*f/k/a* Washington RSA No. 8 Limited Partnership)

Address: 103 S 2nd Street
P.O. Box 171
Roslyn, WA 98941

Company Contact Person/Title: James K. Brooks, Treasurer/Controller
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Service Area Code (SAC): 529003

Section 2: REPORT 1 - WAC 480-123-070(1)(a)

(1) Report on use of federal funds and benefits to customers.

(a) For an ETC that receives support based only on factors other than the ETC's investment and expenses, the report must provide a substantive description of investments made and expenses paid with support from the federal high-cost fund.

For ETCs that receive any support based on the ETC's investment and expenses, the report must provide a substantive description of investment and expenses, such as the NECA-1 report, the ETC will report as the basis for support from the federal high-cost fund.

For the period January 1 through December 31, 2013, the Company had microwave upgrades at five cell sites at a locations known as Stout, Thorne, Walla Walla Airport, Walla Walla Sager and Walla Walla Smokestack at a cost of \$91,169, made switch additions of approximately \$451,801 allocated to the Washington RSA No. 8 market (based on annual tower minutes), and made EVDO Rev A additions at two cell sites for a total approximate cost of \$31,073; total approximate added investments attributed toward the Washington RSA No. 8 market of \$574,043. Operating expenses, excluding the cost of handsets, roaming and toll expenses, for the same time period were approximately \$7,208,200.

Section 3: REPORT 2 - WAC 480-123-070(1)(b)

(1) Report on use of federal funds and benefits to customers.

(b) Every ETC must provide a substantive description of the benefits to consumers that resulted from the investments and expenses reported pursuant to (a) of this subsection.

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 ETC¹ service area. The investments and expenses in Report 1 should enable the Company to provide increasingly better service quality, coverage, capacity and clearer signals throughout the Company's service area, thereby decreasing the potential for dropped calls or no service. Expenses directly associated with regulatory compliances for E911, plant operations, switching, maintenance, engineering and obtaining facilities from local exchange carriers and depreciation expenses comprise approximately \$4,883,760 of the expense figure set forth in Report 1.

¹ The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

Section 4: REPORT 3 - WAC 480-123-070(2)

(2) Local service outage report. ETCs not subject to WAC 480-120-412 and 480-120-439(5) are required to report local service outages pursuant to this subsection. The report must include detailed information on every local service outage thirty minutes or longer in duration experienced by the ETC. The report must include:

- (a) The date and time of onset and duration of the outage;
- (b) A brief description of the outage and its resolution;
- (c) The particular services affected, including whether a public safety answering point (PSAP) was affected;
- (d) The geographic areas affected by the outage;
- (e) Steps taken to prevent a similar situation in the future; and
- (f) The estimated number of customers affected.

Local service outage report: For the period January 1, through December 31, 2013, the Company reports that it experienced the following local service outages.

5/15/13 at 10:09 pm – Cellular radio failure at the Wilma site; technician dispatched from Uniontown; reset site; service restored at approximately 4:59 am; duration of approximately 4 hours and 50 minutes; radio failures are unexpected and a back-up is not economically viable; no steps can be taken to prevent a similar situation in the future. Customers without service from the Company are defaulted to roam on wireless competitors during an outage; it is uncertain as to how many subscribers were affected since the site is a fill-in site for coverage in an industrial area with overlapping coverage from sites at Stout and Clarkston.

11/16/13 at 7:01 am – Microwave failure at the St. John site; technician dispatch from Uniontown; card replaced on microwave; service restored at approximately 4:41 pm; duration of approximately 9 hours and 40 minutes; microwave failures are unexpected and back-up cannot be provided; no steps can be taken to prevent a similar situation in the future; approximately 137 customers were without Inland Cellular service, however, customers without service from the Company are defaulted to roam on wireless competitors during an outage.

Section 5: REPORT 4 - WAC 480-123-070(3)

(3) Report on failure to provide service. ETCs not subject to WAC 480-120-439 are required to report failures to provide service pursuant to this subsection. The report must include detailed information on the number of requests for service from applicants within its designated service areas that were unfulfilled for the reporting period. The ETC must also describe in detail how it attempted to provide service to those applicants.

For the period January 1 through December 31, 2013, the Company reports zero (0) instances where it failed to provide service within its designated service area.

Section 6: REPORT 5 - WAC 480-123-070(4)

(4) Report on complaints per one thousand handsets or lines. The report must provide separate totals for the number of complaints that the ETC's customers made to the Federal Communications Commission, or the consumer protection division of the office of the attorney general of Washington. The report must also generally describe the nature of the complaints and outcome of the carrier's efforts to resolve the complaints.

The Company reports that during calendar year 2013, the Company did not receive from 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 by the Company's customers concerning the services provided to its.

Section 7: REPORT 6 - WAC 480-123-070(5), (6) & (7)
AFFIDAVIT CONTAINING CERTIFICATIONS
PURSUANT TO WAC 480-123-060 AND WAC 480-123-070

I, James K. Brooks, being of lawful age, state that I am Treasurer/Controller of Inland Cellular LLC (*d/b/a* Inland Cellular)(*f/k/a* Washington RSA No. 8 Limited Partnership)(“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. §§ 54.307, 54.313 and/or 54.314, as follows, with respect to the Company’s operations within the State of Washington, Study Area Code 529003:

(1) 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; that is for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(2) That during the 2013 calendar year, the Company met substantially the applicable service quality standard found in WAC 480-123-030(1)(h);

(3) That during the 2013 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 wireless carriers in emergency situations; and,

(4) That during the 2013 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 18th day of July, 2014, at Roslyn, Washington.

Company: Inland Cellular LLC

By: _____

James K. Brooks

Its: Treasurer/Controller

Section 8: REPORT 7 - WAC 480-123-080(1)(a)

Annual plan for universal service support expenditures.

(1) Not later than July 31 of each year, every ETC that receives federal support from any category in the federal high-cost fund must report on:

(a) The planned use of federal support related to Washington state that will be received during the period October 1 of the current year through the following September.

As it is known to the Company at the date of this Report, the following is the planned use of federal support related to Washington State that is anticipated to be received from any category in the federal high-cost fund by the Company during the period January 1, 2015 through December 31, 2015:

The Company estimates that operating expenses for the provision and maintenance of the facilities and services, excluding cost of handsets, roaming and toll expenses, will be approximately \$7,720,709. A forecast of the years 2014 through 2018 is provided below. The Company provides no additional investment information for the period January 1, 2015 through December 31, 2015, at this time since financing has not been established for an LTE (broadband) over-build of the system. Any additional sites have been placed on hold until the Company's LTE plans are fully established.

<u>FORECASTED EXPENSES</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Direct Telecommunications	551,228	555,362	562,294	565,798	567,212
Plant Op and Maintenance	1,124,662	1,615,155	1,631,306	1,647,619	1,664,096
Engineering	13,489	13,489	13,489	13,489	13,489
General & Admin Expense	2,184,546	2,171,676	2,159,541	2,148,109	2,137,350
All Other Op Expenses	353,144	358,343	364,181	369,464	374,454
Depreciation Expense	3,006,684	3,006,684	3,006,684	3,006,684	3,006,684
Subtotal Op Expenses	7,233,753	7,720,709	7,737,495	7,751,163	7,763,285
Toll Expense	224,490	230,722	237,128	243,712	250,478
Roaming Expense	580,529	495,809	534,398	579,909	633,221
Cost of Goods Sold	1,272,828	1,354,879	1,420,385	1,471,889	1,511,918
TOTAL PROJECTED EXP	9,311,600	9,802,119	9,929,406	10,046,673	10,158,902

Section 9: REPORT 8 - WAC 480-123-080(2)

Annual plan for universal service support expenditures.

(2) The report must include a substantive plan of the investments and expenditures to be made with federal support and a substantive description of how those investments and expenditures will benefit customers.

The investments and expenses reported under Reports 1 and 7 should enable the Company to provide increasingly better service quality, coverage, capacity and clearer signals throughout the Company's service area, thereby decreasing the potential for dropped calls.

Dated: July 18, 2014