

CONFIDENTIAL FILING

June 27, 2016

VIA E-FILING

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

Re: UT-151520 - 2016 Compliance Pursuant to WAC 480-123-130

Dear Mr. King:

Pursuant to WAC 480-123-130, Mashell Telecom, Inc. ("Company") hereby files the attached under UT-Docket 151520.

The Company, by its authorized representative, respectfully submits confidential information in compliance with WAC 480-07-160. Mashell Telecom, Inc. requests confidential treatment of certain information submitted with its reporting requirements as a privately-held rate of return carrier. The confidential information is required by WAC 480-123-130 and includes detailed investment information that is competitively sensitive. Disclosure of this confidential information would have a substantial negative impact on the Company. Such information would not normally be made available to the public for inspection because of the financial information and should be afforded confidential treatment under WAC 480-07-160.

As specified in the WAC 480-07-140, copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION" and the confidential submission is marked "CONFIDENTIAL PER WAC 480-07-160".

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

Sincerely,



Danielle Clausen

Enclosures

CONFIDENTIAL PER WAC 480-07-160

REPORT OF MASHELL TELECOM, INC. COMPANY UNDER THE
WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM
IN COMPLIANCE WITH WAC 480-123-130

July 1, 2016

Docket No. ~~{Use Company specific 2015 docket}~~ 151520

File electronically ~~{Alternative: file one paper copy}~~

1. WAC 480-123-130(1)(a) - Access Lines Served [NECA 1.3 working loops]

	January 1, 2015	December 31, 2015
Residential	<u>2,123</u>	<u>2,084</u>
Business	<u>595</u>	<u>575</u>

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

The funds received by the Company from the universal service communications program in calendar year 2015 represents 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) CAF ICC Program. 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 January 2015, the Company received ~~\$70,176,XXX~~ from the universal service communications program for the fiscal year ending June 30, 2015 representing the reduction in support from the CAF ICC Program.

~~-During 2015,~~ 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 Napavine-Vine. This project provides the company with additional transport capacity and redundancy.

In addition to the foregoing, the Company has a \$17M four-year plan (2015-2018) to upgrade aging portions of its outside plant and network infrastructure to a FTTP (Fiber-to-the-premise) architecture. The Company is building out FTTP in the coretown area of Eatonville exchange including residential lake areas, and also is building FTTP in portions of the rural areas of the Kapowsin exchange. The FTTP network architecture will provide these customers 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 5,00 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. {describe any new construction projects and major maintenance projects, including broadband projects}. ~~The funds received from the universal service~~

communications program can be viewed as contributing to the Company's ability to perform ~~that project~~ [those projects], including, without limitation, the repayment of loan funds.

In December 2015, the Company received \$~~XXX-160,385~~ from the universal service communications program for the fiscal year ending June 30, 2016, which represents monies that the Company formerly received through the WECA pooling process and the reduction of support under the FCC's CAF ICC Program.

During the first six months of 2016 the Company finalized the middle mile fiber construction that began in 2015 outlined above, and undertook a secondary middle mile fiber meet point project in Bucoda. This will provide the Company with the needed transport facilities that the FTTP build out will require. The Company finalized the engineering plans for our FTTP installation in Eatonville proper, where construction will begin September and is currently staking lake communities to outline fiber routes and customer counts for projects to begin early 2017. ~~undertook [describe any new construction projects and major maintenance projects, including broadband projects].~~ The funds received from the universal service communications program can be viewed as contributing to the Company's ability to perform ~~that project~~ [those projects], including, without limitation, the repayment of loan funds. In the second half of 2016 the Company plans to finalize the North middle mile fiber project to Bucoda ~~[describe any new construction projects and major maintenance projects, including broadband projects].~~ The Company will begin construction on the Eatonville proper FTTP facilities to service local businesses in the community, and finalize the fiber route engineering plans for lake communities.

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, 2016 under Docket UT-160032.

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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 ~~[if any specific items can be described please insert description].~~

The Company installed a new subscriber billing system in the first quarter of 2016 to improve company operating efficiencies. The Company also installed a new company phone system that provides customers with additional payment options and improved communication. The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

~~[If any Business Plan Modifications, please provide]~~

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

~~If any fill in. Otherwise use N/A. N/A~~

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

I, ~~Brian Haynes~~~~(insert name)~~, am an officer of ~~Mashell Telecom, Inc.~~ _____
~~Telephone Company~~, and upon personal knowledge and with responsibility therefore, hereby
certify under penalty of perjury, that ~~Mashell Telecom, Inc.~~ _____ ~~Telephone Company~~
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.

Signed at ~~Tacoma~~ _____, Washington this ~~24th~~ _____ day of June, 2016.

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~~President/CEO~~~~Title~~