

July 12, 2016

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

Re: First Step Internet, LLC
Eligible Telecommunications Carriers' Annual Certification on High
Cost Fund Pursuant to WAC 480-123-060, 070, 080 and 47 C.F.R.
§54.314

Dear Mr. King:

Attached are the Affidavit and Reports for First Step Internet, LLC's Eligible Telecommunications Carriers' Annual Certification on High Cost Fund pursuant to WAC 480-123-060, WAC 480-123-070 and WAC 480-123-080.

This file is submitted under Docket #UT-##### and Docket #UT-#####.

On February 12, 2015, in Docket #UT-141440, the Commission granted First Step Internet's Petition to be an eligible telecommunications carrier. Accordingly, the certifications herein are being filed with the Washington Utilities and Transportation Commission in accordance per instructions from the commission staff.

First Step Internet, LLC also requests certification of its ETC status as required by WAC 480-123-060 (1).

Please contact the undersigned if there are any questions regarding this submission.

Sincerely,

Kevin W. Owen
President
First Step Internet, LLC

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

I, Kevin Owen, being of lawful age, state that I am the President of First Step Internet, LLC ("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 on February 12, 2015, in Docket #UT-141440, the Commission granted the Company's Petition to be an eligible telecommunications carrier ("ETC");

(2) That the Company received \$134,459.78 federal high-cost support in the preceding calendar year (2015) and that all federal high-cost support provided to the Company will be used in the coming calendar year (2017) only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;

(3) That during the 2015 calendar year, the Company was an ETC and therefore was subject to the following requirements applicable to ETCs in Washington state and: a) met substantially the applicable service quality standard found in WAC 480-123-030(1)(h), b) the standard related to the ability to function in emergency situations found in WAC 480-123-030(1)(g), as such standard relates to functionality of wireline carriers in emergency situations; and c) the requirement to publicize the availability of its applicable telephone assistance programs in a manner reasonably designed to reach those likely to qualify for service found in WAC 480-123-030(1)(e).

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

Dated this 12th day of July 2016, at Moscow, Idaho.

Company: First Step Internet, LLC

By: Kevin Owen

Its: President

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

First Step Internet, LLC. (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): (Use of Federal High-Cost Funds) As of December 31st, 2015, the Company has received \$134,459.78 in Federal high-cost funding from the FCC's Rural Broadband Experiments program ("RBE") The Company has expenses for 2015 of \$111,970.30 directly associated with the RBE program. The expenditure of this funding consisted of new equipment that was deployed to directly benefit the customers within the study area. The equipment consisted of 8 new Telrad LTE base station radios deployed throughout the Study Area and the associated equipment required for their installation and operation. The Company has received its Study Area Code number: 476222. The Company has timely filed its required Form 481.

Report 2: WAC 480-123-070(1)(b): (Benefit from investment) The Company completed the installation of equipment necessary to cover 90% of the required census blocks associated with its Study Area Code. (111 total blocks, 7 blocks in Washington) As of this filing, the 7 blocks in Washington account for a possible 12 customers. At this time, none of those potential clients are customers of the First Step network. The benefit to the consumers is that those customers can now have access to high-speed broadband Internet should they desire and request the service. These benefits to consumers are as a direct result of the investments made in 2015 pursuant to WAC 480-123-070(1)(a). In 2016, the anticipated spending will continue to directly benefit those customers in the high-cost service area as they will be able to receive service in areas that were previously un-served by qualifying broadband.

Through the expenditure of these anticipated RBE funds, the Company will be able, throughout the service area for which the Company has ETC designation, to:

- provide services at a level that the Company believes meets the intent set forth in 47 U.S.C. §254 of providing quality telecommunications services to customers;
- make substantial investments over the next several years to allow it to provide quality telecommunications services;
- expand its network over the next several years so that it will be capable of providing access to broadband services;
- offer service that is comparable to services offered in urban areas at rates that will be comparable to the rates for such services in urban areas.

Report 3: WAC 480-123-070(2): (Local Service Outage). The Company reports no service outages as described in WAC 280-123-070(2) during the 2015 calendar year.

Report 4: WAC 480-123-070(3): (Failure to Provide Service). The Company reports no requests for service that were unfulfilled during the 2015 calendar year.

Report 5: WAC 480-123-070(4): (Complaints per 1,000 connections) The Company reports no service complaints during the 2015 calendar year made to the Federal Communications Commission or the consumer protection division of the office of the attorney general of Washington.

Report 6: WAC 480-123-080(1-3): The Company reports the planned investment for 2017 will be approximately \$32,000 for the approved ETC service areas. This investment will be made to support the services in both the Washington and Idaho service areas. This investment is combined to align with the single Study Area Code (SAC 476222) that was provided by the USAC. The funding will be expended to maintain and improve the fixed wireless LTE access points that will provide the required service in the area. Additionally, the funding will be used to expand and increase the capacity of the network carrying the broadband Internet traffic. These investments and expenses will directly benefit the consumers within the Study Area, as broadband and voice services will be made available to those customers that currently do not have access to service.