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State Of WASH. UTIL. AND TRANSP. COMMISSION

June 11, 2019

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

RE: 2019 ETC Certification and Reports-Request for Certification Pursuant to WAC 480-123-060 and 47 C.F.R. §54.314

Dear Mr. Johnson:

Pursuant to WAC 480-123-060, Skyline Telecom ("Company") hereby requests that the Washington Utilities and Transportation Commission ("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 also submitted.

The NECA-1 report will be provided as soon as it is available but no later than August 1, 2019.

Please contact me if you should require any further information.

Sincerely,

Delinda Kluser

Vice-Pres, Manager

deedeek@otcconnections.net

541-932-4411

## ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080 Contains Certifications Required by WAC 480-123-060 and 070 July 1, 2019

Skyline Telecom ("Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

1. Report 1: Report on use of funds: WAC 480-123-070(1)(a):

The Company used support from the federal high-cost fund in 2018 as follows: Strictly to provide, maintain, and upgrade facilities and services for which the support is intended.

For 2018 the Company's gross capital expenditures were \$20,424. The Company's 2018 operating expenses were \$592,577. Recent major projects include the replacement of a portable generator at our Silverton exchange. In our MT Hull exchange, an additional Calix E3 was added in order to distribute broadband customers to achieve the maximum broadband speeds available at each customer location.

Per the direction of Commission Staff, the NECA -1 report will be provided as soon as it is available and no later than August 1, 2019.

2. Report 2: WAC 480-123-070(1)(b): The Company reports that the investments and expenses report under Report 1, above, benefited the customers as follows:

The customers served by the Company benefited from the use of high-cost fund support by continuing to receive high quality telecommunications services.

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 quality telecommunications services to customers in the service area for which the Company is designated as an ETC.¹ 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 ETC service area. The Company has expanded its network over the past several years so that it is capable of providing access to broadband services throughout most of the Company's designated ETC service area. The Company offers services that are comparable to services offered in urban areas at rates that are comparable to rates for such services in urban areas.

<sup>&</sup>lt;sup>1</sup> The term "ETC" is used in the same sense as the term is used in Chapter 480-123 WAC.

3. Report 3: Local Services Outage Report: WAC 480-123-070(2):

Local outages are disclosed on the FCC Form 481 as referenced in Report 6 below.

4. Report 4: Report on Failure to Provide Service: WAC 480-123-070(3):

None

5. Report 5: Report on Complaints per 1000 Connections: WAC 480-123-070(4):

No complaints were filed during 2018 regarding service quality as reported by the consumer service protection division of the Washington Utility and Transportation Commission. In addition, no complaints were received from the FCC for calendar year 2018.

6. Report 6: Annual Plan: WAC 480-123-080(1):

The Company has not yet started the budgeting process for 2020 and therefore does not have the final numbers prepared for investments and expense levels for the period January 1, 2020, through December 31, 2020. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2018, subject to the effects of inflation, other commonly experienced changes in cost of labor and materials, and increased depreciation on new investment placed in service. The Company does not anticipate major adjustments in staffing levels for the relevant period.

7. Report 7: Plan of Investments and Expenditures: WAC 480-123-080(2):

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, 2020, through December 31, 2020, will remain relatively the same as those it experienced in calendar year 2018, subject to the effects of inflation, other commonly experienced changes in cost of labor and materials, and increased depreciation on new investment placed in service. The Company does not anticipate major adjustments in staffing levels for the relevant period. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2020. The Company expects that the continued receipt of federal high-cost support will allow the Company to continue to provide the supported services at rates that are comparable to the rates for such services in urban areas. All customer in the Company's designated ETC service area will benefit from the expected level of support by continuing to have available to them services that are comparable to the rates for such services in urban areas at rates that are comparable to the rates for such services in urban areas.

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

- I, Delinda Kluser, being of lawful age, state that I am Vice-Pres, Manager of Skyline 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 in 2018 used and in the coming calendar year will use federal high-cost universal service fund support provided to the Company in the State of Washington only for the provision, maintenance and upgrading of the facilities and services for which the support is intended;
- (2) That during the 2018 calendar year, the Company met substantially the applicable service quality standard and consumer protection rules found in WAC 480-123-030(1)(h);
- (3) That during the 2018 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 2018 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 Way of June, 2019, at MT Vernon, Oregon.

Company: Skyline Telecom Inc.

Type Name: Delinda Kluser

Its: Vice-Pres, Manager