

ETC ANNUAL REPORT PER WAC 480-123-070 AND WAC 480-123-080  
Contains Certifications Required by WAC 480-123-060 and 070  
June 30, 2017

Inland Cellular LLC Study Area Code 529003 (the "Company") hereby submits the following reports in accordance with WAC 480-123-070 and WAC 480-123-080.

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

The Company used support from the federal high-cost fund in 2016 as follows:

We are continuing the process of upgrading our network with next-generation LTE 4G technology. Those investments began in late 2014 with staff training, vendor identification and core switch investments. In 2015 we began a roll out of 4G throughout our network. In 2016, we invested \$945,221.35 in broadcast equipment in SAC 529003 during the year. The Company expects to use all Universal Service Fund support received in order to fund the expenses related to the provisioning, maintenance and services provided over these upgraded facilities as well as existing facilities and to service the debt created in order to make these improvements; improving service quality, coverage and capacity. The Company expects that the continued receipt of Universal Service Fund support will aid the Company's efforts to continue to upgrade its network and to provide the supported services to all customers and potential customers

For 2016 the Company's gross capital expenditures were \$945,221.35. The Company's 2016 operating expenses were \$11,201,926.26.

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. The Company's investments in next generation mobile technology described above will bring the capability for increased network speeds and enable us to provide mobile broadband services in our service territory.

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.<sup>1</sup> 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

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

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.

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

None

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

None

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

None

Report 6: Certification of Compliance with Certification of Compliance with Service Quality Standards and Consumer Protection Rules: WAC 480-123-070(5):

See "529003\_WA\_Certifications\_500&600" filed with Form 481

Report 7: Certification of Ability to Function in Emergency Situations: WAC 480-123-070(6):

See "529003\_WA\_Certifications\_500&600" filed with Form 481

Report 8: Advertising Certification, including Advertisement on Indian Reservations: WAC 480-123-070(7):

Company advertised Lifeline in a variety of ways, including: Company website; local newspapers; in-store displays; and, flyers distributed to local public assistance institutions and public areas. See Appendix 1 for a sample newspaper ad, and Appendix 2 for flyer sample.

There are no Indian reservations within the area of this SAC.

Report 9: Annual Plan: WAC 480-123-080(1):

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, 2017 through December 31, 2017 are projected to be \$945,221.35 for gross capital expenditures and \$11,201,926.26 for operating expenses. Planned major projects include: upgrading microwave links and upgrading service to 4G LTE in two very rural areas in northern Columbia County, and two sites between Colfax and Dusty along Highway 26; in

addition, a new site in Central Ferry, Washington is planned. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2016, 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.

Report 10: 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, 2017, through December 31, 2017, will remain relatively the same as those it experienced in calendar year 2016, 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. Major projects are referenced in Report 9, above. The Company has not completed its budgeting process and does not have final numbers prepared for investment and expense levels for 2017. 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 customers will benefit from increased broadband speeds in the upgraded areas, and will have services available to them 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.

Report 11: Updated Map: WAC 480-123-080(3):

Updated maps are required once every three years, and updated maps were submitted in 2016; therefore, maps are not required this year and were not supplied for this report.

# No compromise: 2016 a year of division, polarization

The news this year has been filled with battles over culture and territory — and little compromise.

By ADAM GELLER  
of The Associated Press

Fed up with Europe's union across borders? Reject it. Disgusted with the U.S. political establishment? Can it.

The news in 2016 was filled with battles over culture and territory that exposed divisions far deeper than many realized. But people confronting those divides repeatedly rejected the prospect of middle-ground solutions and the institutions put in place to deliver them.

While the headlines told many different stories, the thread connecting much of the news was a decisive torching of moderation, no matter how uncertain the consequences.

"You're not laughing now, are you?" Nigel Farage, a leader of the Brexit campaign, told the European Parliament after voters in Great Britain spurned membership in the continental union. "What the little people did ... was they rejected the multinationals, they rejected the merchant banks, they rejected big politics and they said, 'Actually, we want our country back.'"

Farage was speaking only about the United Kingdom. But his observation that many people well beyond Britain shared that disdain for working within the system was borne out repeatedly in the year's biggest headlines.

In a U.S. presidential campaign fueled by anger and insults, in Syria's brutal war and Venezuela's massive protests, in fights over gay rights and migration, opposing sides rejected not just compromise but also the politics of trying to forge it.

That was clear from the year's first days, when armed activists took over a national wildlife refuge in Oregon's high desert, opposing the federal



AP file photo

Trump supporters "boo" members of the media after a heckler was removed during a campaign stop by Republican presidential candidate Donald Trump in Birmingham, Ala., on Nov. 21.

government's control of public lands.

"It needs to be very clear that these buildings will never, ever return to the federal government," LaVoY Fincum, an Arizona rancher among the activists, told reporters. Weeks later, federal agents stopped vehicles outside the refuge, arresting eight of the activists and fatally shooting Fincum when he reached into a jacket that held a loaded gun.

Even in the rare cases when compromise prevailed, it was viewed with suspicion.

When a deal took effect in January limiting Iran's nuclear program in exchange for relief on sanctions, it marked the culmination of prolonged negotiation by President Barack Obama's administration. But the pact was repeatedly attacked by critics in both countries, including Donald Trump, saying it gave the other side too much.

"The wisest plan of crazy Trump is tearing up the nuclear deal," a leading Iranian hard-liner, Hossein Shariatmadari, told his country's news agency.

In mid-February, U.S. Supreme Court Justice Antonin Scalia died in his sleep, leaving a vacuum on a court where he had long been the leading conservative voice. Barely an hour after Scalia's death was confirmed, Senate Majority Leader Mitch McConnell staked out an uncompromising position on what lay ahead.

"The American people should have a voice in the

selection of their next Supreme Court justice," McConnell said, disregarding the fact that U.S. voters had twice elected Obama. "Therefore, this vacancy should not be filled until we have a new president."

North Carolina lawmakers prompted protests and counterprotests when they rushed through House Bill 2, voiding local gay-rights ordinances and designating bathroom access for transgender people. Companies, the NBA and others followed through on threats to move jobs, games and performances out of the state, amplifying the division.

Tensions over U.S. policing bled into a third year. In July, a sniper killed five Dallas police officers during a protest over shootings of black men by police in Louisiana and Minnesota. A South Carolina jury failed to reach a verdict in the trial of a white officer caught on video fatally shooting a black man fleeing a traffic stop.

Division, though, was hardly limited to the U.S.

In Venezuela, triple-digit inflation and shortages of food and medicine fueled 6,000 protests throughout the year that brought millions into the streets. But the government of President Nicolas Maduro, blamed by many voters for the chaos, blocked a recall campaign.

"If you're going to shoot

me because I'm hungry, shoot me!" a young man shouted at a soldier during one protest in Caracas.

In Colombia, voters narrowly rejected a deal between the government and a guerrilla group to end a 52-year civil war. Even when lawmakers approved a renegotiated deal, the peace remained fragile.

In Brazil, senators impeached President Dilma Rousseff for manipulating budget figures, though many of the lawmakers were, themselves, tarred by accusations of corruption. South Korean President Park Geun-hye was stripped of power in December amid allegations she let a close friend use the government for financial gain.

Meanwhile, Syria's war entered its sixth year. But despite pressure by the U.S. and its allies, Russia and the government of President Bashar Assad unleashed an assault on Aleppo to wipe out rebels, driving up the toll in a conflict that has already claimed as many as 500,000 lives.

"This is a targeted strategy to terrorize civilians and to kill anybody and everybody who is in the way of their military objectives," U.S. Secretary of State John Kerry said, accusing Syria and Russia of war crimes.

"As long as war crimes are at question," a Russian government spokeswoman said, "the Americans should start with Iraq."

In Yemen, cease-fires broke down, extending a nearly two-year civil war. But with Syria capturing most international attention, a famine resulting from the turmoil was mostly overlooked.

As the fighting continued, terrorist strikes spread fear well beyond the Middle East.

A bombing at a Brussels airport in March and another attack in June at Istanbul's airport by gunmen with explosives killed

a total of nearly 80 people. More than 70 died when a bomb went off in a park in Pakistan, with a faction of the Pakistani Taliban claiming responsibility. In July, a terrorist drove a truck into a Bastille Day crowd in Nice, France, killing 86 and injuring more than 400 others. The Islamic State group claimed responsibility.

In June, security guard Omar Mateen opened fire inside a gay nightclub in Orlando, Fla., in the deadliest mass shooting ever in the U.S. In a call to police during the attack, which killed 49, Mateen — a U.S. citizen born to parents who emigrated from Afghanistan three decades earlier — said he was acting on behalf of the Islamic State group.

A day later, Trump pointed to the attack in a renewed call to ban Muslim immigrants to the U.S. while suggesting that American Muslims were turning a blind eye to terrorists in their midst.

"We cannot continue to allow thousands upon thousands of people to pour into our country, many of whom have the same thought process as this savage killer," Trump said.

Still, there were moments when the obstinacy that characterized so much of the news was set aside.

When boxing great Muhammad Ali died in June, a figure whose outspokenness on race, religion and other issues once made him deeply polarizing, he was eulogized as an inspiration.

In March, Obama became the first U.S.

president to visit Cuba since 1928, affirming a contentious move to resume ties after more than a half century of hostility. But the death of Cuba's Fidel Castro in November renewed criticism of the U.S. opening, with Trump threatening to "terminate the deal."

The hard line typified the outspokenness that attracted many voters. Critics lambasted the U.S. presidential campaign for feeding prejudice against minorities and denigrating women, warning that Trump could not win.

But each time Democratic nominee Hillary Clinton appeared to open a gap between herself and the billionaire developer, a scandal over her use of a personal email server while serving as secretary of state returned to the headlines.

When FBI Director James Comey reignited the issue in late October by announcing his agency had found new emails, Clinton's popularity fell even as early voting began. Trump clinched victory by winning states representing an Electoral College majority, though Clinton captured more than 2.8 billion more votes nationwide.

"Now it's time for America to bind the wounds of division," Trump told supporters in his first speech as president-elect.

The election's outcome was arguably the year's biggest news story. But Trump's speech made headlines in no small part for sounding a note of moderation jarringly out of place in a year of discord.

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# DO YOU QUALIFY FOR LIFELINE?

Low income customers residing within the Inland Cellular Home Service Area may qualify for discounted Lifeline cell phone service. This is a government assistance program that consumers may apply for (non-transferable and only one discount per household).

Discounts of \$9.25 for Washington residents and up to \$11.75 for Idaho residents, if eligible. Idaho residents must qualify through the Community Action Partnership Association of Idaho. Contact us for more information or visit our website at: [inlandcellular.com/shop/services/lifeline](http://inlandcellular.com/shop/services/lifeline)

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