

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, 2018

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 2017 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 2017, we invested \$384,277 in broadcast equipment in Washington during the year. This included 11 additional 4G LTE sites and microwave backhaul upgrades. 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 2017 the Company's gross capital expenditures were \$429,200 in Washington. The Company's 2017 operating expenses for Washington were \$14,973,921.

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.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

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

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.

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 Service Quality Standards and Consumer Protection Rules: WAC 480-123-070(5):

See "529003_WA_Certifications_500&600"

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

See "529003_WA_Certifications_500&600"

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, 2018 through December 31, 2018 are projected to be \$500,000 for gross capital expenditures and \$15,000,000 for operating expenses. Planned major projects include: upgrading microwave links for increased backhaul capacity; and continuing to upgrade service to 4G LTE in rural areas,

such as Coulee City, Grand Coulee, Keller Ferry and Seven Bays in northern Grant and Lincoln counties, as well as 4G LTE upgrades in Starbuck and Washtucna. The Company expects that levels of expenses will remain relatively the same as those it experienced in calendar year 2017, 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, 2018, through December 31, 2018, will remain relatively the same as those it experienced in calendar year 2017, 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 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.

Appendix 1

Local news

Ritzville's Pat Tremaine is Old Hotel Artist of the Month for December

By BOB KIRKPATRICK
For the Herald

Pat Tremaine, who is known by many for her watercolor landscape paintings, has been an artist all her life. Growing up in Seattle, Tremaine said she took an interest in her craft at a very young age.

"My parents' best friends had a daughter who was a little older than me and we both liked to draw," Tremaine said. "Her father worked at the water department and he'd bring home old blue prints so we could color on the back of them. That was our entertainment; we didn't have an iPad or a computer so we drew everything in color."

Fast-forward to her college days. Tremaine recalls saying she wanted a job where she could get paid for coloring. And it just so happens she was able to fulfill her dream.

"I ended up getting a degree in Landscape Architecture and going to work for then Puget Power at the time. That was before there was CAD drawing, so you had to draw everything at that time," Tremaine said. "When I prepared landscape plans for permits, I'd draw elevations freehand and then have to color them, so there, I was so there I was coloring and getting paid for it."

Having been a landscape architect by trade, Tremaine naturally gravitated to painting landscapes.

In 2015, she signed up for her first art class in Seattle, conducted by professional artist Jean Haines, a well-known watercolor painter who "had traveled the world and written several books on painting with watercolor."

Haines is also a member of the Society for Woman Artists. She studied abroad in China, India and Pakistan, and is a 2009 Anthony J. Lester Award winner whose work has been likened to Joseph Crawhalls of the famous Glasgow Boys — a circle of 20 influential modern artists and designers working in Glasgow in the 19th century that produced some of Scotland's most innovative and well-loved paintings.

"It was a two-day workshop that put me on focus," Tremaine said. "It really hooked me and I painted every day for



Pat Tremaine among her works of art at the Old Hotel in Othello.

Bob Kirkpatrick/The Sun Tribune

nine months."

Tremaine has painted with acrylic and oil, but says she prefers watercolor over both.

"There's a lot of streaking light that come through watercolors that you don't get with acrylic. You may get some with oil but not much," she said. "Some people say they don't like water because they can't control it — but you really have to understand how to use it — don't fight it, just work with it. Once you can actually do a lot with it."

Haines is just one artist Tremaine draws inspiration from. She is also impressed by the works of Thomas Schaller and Bjorn Bernstrom. Schaller is a well-known architectural illustrator turned watercolor painter.

"His approach is if you look at an image, look at the lightest, look at the darkest and look at the mid-tones. He separates things into three very specific shapes and paints that way. He's a realist, but he understands how light comes through."

Bernstrom is a Swedish watercolor artist who paints landscapes.

"Bjorn does these great rural scenes — fields and little cozy cabins," Tremaine said. "I like his use of color and abstraction. I'll be studying with him in Seattle in June."

Tremaine gets the majority of ideas for her paintings while traveling

to and from the west side of the state along U.S. Highway 2 and the I-90 corridor. She says she typically snaps a picture of a scene that piques her interest, but never duplicates the photograph.

"I never copy a photo and that's key to what makes what I do art," she said. "I do take good photographs, but I have taken them to another level — to my emotional interpretation of something I've experienced."

Tremaine migrated to Ritzville after the 2009 construction fallout.

"My husband and I had our own business. We both had worked for some large construction companies in Seattle and were eventually doing our own construction management on some high end houses, a half-million- to million-dollar range" she said. "When we hit the fallout we were OK through 2010, but by 2012, business was not picking up and architects and contractors were not doing anything and we were at the end of the food chain."

Her husband had previously lived in Ritzville and at one time ran the Old Hotel, so they sold their house in Alki and headed east to the tiny community in Adams County.

Tremaine is retired from the construction industry, but teaches yoga and works part time for the

Conservation District in Ritzville, which gives her plenty of time to perfect her art.

"I paint almost every day," she said. "I also like to work in my garden and I continue to attend painting workshops."

Tremaine has shown her art at the Gallery Store in Moses Lake. There isn't a current venue to display it in Ritzville, but you can see it hanging on the walls at the Old Hotel in Othello and on her Facebook page. She has also sold some of her works online.

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SCAM

from A1

Palmerton wrote. "The spokesperson also added the only outbound calls they make are to existing members about their membership."

"Be very wary of anyone calling and demanding money," said Grant County Sheriff Tom Jones. Some of the poten-

tial targets called district court officials "directly to inquire about these 'cases against them' and found out they weren't true. Scammers will stop at nothing to separate you from your money."

People who want more information can contact the sheriff's office, 509-754-2011, ext. 3101.

Cheryl Schweizer can be reached via email at education@columbiabasinherald.com.

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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. Contact us for more information or visit our website at: inlandcellular.com/lifeline

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Appendix 2



DO YOU QUALIFY FOR LIFELINE?

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Discounts of \$9.25 for Washington residents and up to \$11.75 for Idaho residents, if eligible. Contact us for more information or visit our website at: inlandcellular.com/shop/services/lifeline

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