

REPORT OF MCDANIEL TELEPHONE COMPANY UNDER THE
WASHINGTON UNIVERSAL SERVICE COMMUNICATIONS PROGRAM
IN COMPLIANCE WITH WAC 480-123-130

July 1, 2017

Docket No. UT-160957

File electronically

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

	January 1, 2016	December 31, 2016
Residential	2,969	2,884
Business	485	469

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 2016 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 December 2016, the Company received \$ 242,582 from the universal service communications program for the fiscal year ending June 30, 2017 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 2017, the Company opened major projects to: 1) provision new service (\$43,000), 2) replace batteries at Salkum and Mossyrock (\$37,000), and 3) purchase a Chevy 4x4 DC-BFX Utility Truck (\$50,000). In addition, the Company has opened 30 projects to improve broadband speeds relating to phase 1 of ACAM commitments. These projects are still in engineering with construction planned to begin in the 3rd or 4th quarter 2017 and will continue into 2018. The early estimated cost of

phase 1 is \$2,000,000. The funds received from the universal service communications program can be viewed as contributing to the Company's ability to perform these projects and helping to recover normal operation costs. The major projects described above will continue throughout 2017 in addition to routine maintenance, cable additions and other projects as needed.

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 14, 2017 under Docket UT-170009.

5. WAC 480-123-130(1)(f) - Report on Operational Efficiencies/Business Plan Modifications

The Company is part of a major holding company which results in efficiencies and economies of scale that are not available to most Rural LECs and there are on-going efforts to find more ways to cut costs while improving broadband service and continuing to provide high-quality basic telecommunications services. The funds received from the universal communications program can be viewed as assisting in the Company's efforts to obtain operational efficiencies.

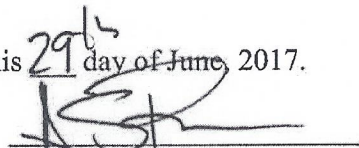
6. WAC 480-123-130(1)(g) and (h) - Other information

N/A

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

I, Andrew S. Petersen, am an officer of McDaniel Telephone Company, and upon personal knowledge and with responsibility therefore, hereby certify under penalty of perjury, that McDaniel 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 Madison, Wisconsin this 29th day of June, 2017.



Andrew S. Petersen

VP – External Affairs & Communications
Title