

Attachments

Hat Island Telephone Company
FCC Form 481 (July, 2019), Line 610
Statement Describing Ability to Function in Emergency Situations
Per Instructions for Completing FCC Form 481

SUMMARY

Hat Island Telephone Company (the “Company”) has a long-standing tradition of providing reliable voice telephony services. It is the Company’s policy and standard operating procedure to bury all of its local distribution cable and wire. The Company operates a primary local distribution and transmission node that is equipped with back-up power generation. In regard to the Company’s overall network design, the Company’s practices are consistent with Rural Utility Service (“RUS”) telecommunications industry best practices.

The Company obtains certain functionality and support from its affiliate, Whidbey Telephone Company. Together, they operate and maintain transport transmission equipment that serves the Company’s service area and that is of the highest grade. Equipment specifications, which are consistent with the RUS specifications, require both redundant power and redundant circuit interfaces. All of the Company’s transport equipment, as well as the transport and switching equipment that serves the Company’s service area and is operated by Whidbey Telephone Company, is monitored 7x24x365(366) by trained staff located at Whidbey Telephone Company’s network operations center.

NETWORK REDUNDANCY

The Company is a provider of voice telephony services to the Hat Island Exchange. The service area of the Company’s Hat Island Exchange comprises less than one (1) square mile. It is connected by submarine cable to a neighboring exchange operated by Whidbey Telephone Company, which provides local distribution connectivity, switching and transmission utilizing its facilities. A description of those facilities and of Whidbey Telephone Company’s policies and procedures relating to its ability to function in emergency situations is set forth in its response to Line 610 of its FCC Form 481 that is being filed contemporaneously herewith. To the extent relevant, that description is incorporated herein by this reference.

BACK-UP POWER

The Company maintains at its principal local distribution and transmission node a power plant with batteries capable of carrying the power load for a number of hours with the load typically transitioning more immediately to a generator back-up power generation. In addition, the Company has installed back-up power generation at that node, utilizing an 8kw generator, together with a dedicated fuel tank onsite designed to carry the power load multiple days. The site is equipped with an automatic transfer switch and has monitoring equipment that provides monitoring visibility with respect to loss of external commercial power and transfer switch status. Upon recognition of loss of the commercial power source, the automatic transfer switch is designed to automatically start the back-up generator and transfer the selected power source.

Alarm messages are automatically reported to key personnel, as well as to Whidbey Telephone Company's 7x24x365(366) network operations center.

Whidbey Telephone Company has in-house staff available to support the Company's operations and trained to perform all maintenance of the power plant, as well as third-party services available for support.

FCC FORM 481 (JULY 2019), LINE 1010
Descriptive Document for Compliance of Pricing of
Fixed Voice Services with Required Relationship
To Applicable National Average Urban Rate for Voice
Service Benchmark, as required by 47 C.F.R. § 54.313 (a)(10)
Per Instructions for Completing FCC Form 481

Section 54.313 (a)(10) of the rules of the Federal Communications Commission (“FCC”) requires any recipient of high-cost support, such as Hat Island Telephone Company (“Company”), annually to certify that the pricing of the Company’s voice services is no more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice issued by the Wireline Competition Bureau and Wireless Telecommunications Bureau.

The most recent such notice issued by the Wireline Competition Bureau is Public Notice DA 18-1280, released December 20, 2018, in WC Docket No. 10-90 (“Public Notice”). That public notice includes the following statements, “Based on the survey results, the 2019 rate floor for voice services is \$26.98, [footnote omitted] and the reasonable comparability benchmark for voice services is \$51.61. [footnote omitted]...In addition, each ETC, including competitive ETCs providing fixed voice services, [footnote omitted] must certify in the FCC Form 481 filed no later than July 1, 2019, that the pricing for its basic residential voice services is no more than \$51.61. [footnote omitted]” [Italics added.]

It is the Company’s understanding that the above-mentioned comparability benchmark includes the recurring residential service rate, any applicable State subscriber Line charge rate, any applicable State universal service fund rate, any applicable minimum mandatory Extended Area Service rate, and any applicable Federal subscriber line charge rate.¹

¹ See Note 5 on the “Data Dictionary” tab of the [2016 URS Voice Data.xlsx] located from the FCC webpage having the following URL:

<https://www.fcc.gov/general/urban-rate-survey-data-resources>

Those components for the Company's basic residential voice telephone service as of June 1, 2019, are as follows:

| | |
|------------------------------------|-------------|
| Recurring residential service rate | \$ 18.00 |
| State subscriber line charge rate | 0.00 |
| State universal service fund rate | 0.00 |
| Minimum mandatory EAS rate | 0.00 |
| Federal subscriber line charge | <u>6.50</u> |
| Total | \$ 24.50 |

The sum of the above-identified rates (\$24.50) is not more than the voice service comparability benchmark identified in the Public Notice (\$51.61).

FCC FORM 481 (July 2019), Line 1030
Descriptive Document for Compliance of Pricing of
Broadband Services with Required Relationship
To Applicable National Average Urban Rate for Broadband
Service Benchmark, as required by 47 C.F.R. § 54.313(a)(12)
Per Instructions for Completing FCC Form 481

Section 54.313(a)(12) of the rules of the Federal Communications Commission (“FCC”) requires any recipient of high-cost support, such as Hat Island Telephone Company (“Company”), annually to certify that the pricing of a service that meets the Commission’s broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states of U.S. Territories where the eligible telecommunications carrier receives support.

The most recent such notice issued by Wireline Competition Bureau is Public Notice DA-18-1280, released December 20, 2018, in WC Docket No. 10-90 (“Public Notice”). That public notice includes the following: “Under the approach adopted by the Bureau in 2014, the reasonable comparability broadband benchmark varies, depending upon the supported services download and upload bandwidths and usage allowance. [footnote omitted]”

The Public Notice includes a table showing the “benchmark” rate for certain broadband service offerings and provides a URL link to an FCC webpage at which a tool to calculate “benchmarks” for other broadband service offerings may be found. The following table summarizes the broadband service plans offered to consumers by the Company and the associated “benchmark,” as determined from the Public Notice or the “tool” to which it refers:

| Download Speed (Mbps) (up to) | Upload Speed (Mbps) (up to) | Usage Allowance | Benchmark | Company Pricing |
|-------------------------------|-----------------------------|-----------------|-----------|-----------------|
| 10 | 3 | Unlimited | \$78.57 | \$ 43.00 |
| 20 | 3 | Unlimited | \$82.62 | \$ 50.00 |
| 30 | 3 | Unlimited | \$82.63 | \$ 60.00 |
| 30 | 10 | Unlimited | \$83.64 | \$ 70.00 |
| 50 | 10 | Unlimited | \$101.02 | \$ 80.00 |
| 50 | 20 | Unlimited | \$100.06 | \$ 90.00 |
| 1000 | 1000 | Unlimited | 145.96 | \$ 70.00 |

As shown in the above table, each of the broadband service plans offered to consumers by the Company, for which, “benchmark” rates are available, is offered at a price that is below the applicable “benchmark.”

HAT ISLAND TELEPHONE COMPANY

July 1, 2019

Ms. Marlene H. Dortch, Secretary
Federal Communication Commission
Office of the Secretary
4556 12th Street, SW
Washington, DC 20554

RE: WC Docket No. 10-90 and 14-58 –
Annual Report Due July 1, 2019, FCC Form 481 for
Rate of Return Carriers Receiving High-Cost Support
47 C.F.R. § 54.313(f)(1)(i) “Public Interest Certification”

Dear Ms. Dortch:

In compliance with the filing requirements associated with FCC Form 481 due July 1, 2019, and in compliance with Section 53.313(f)(1)(i) of the Commission’s rules, Hat Island Telephone Company (Study Area 522452) Herby certifies that it has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 25 Mbps downstream/3 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable offerings in urban areas, and the requests for such service were met within a reasonable amount of time.

Sincerely,

HAT ISLAND TELEPHONE COMPANY

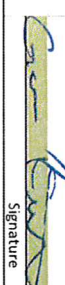
By 
Gary Ricketts
Secretary /Treasurer

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 522417
 <015> Hat Island Telephone Company
 <020> 2020
 <030> Gary Ricketts
 <035> 360-321-0051
 <039> gar.ricketts@whidnetel.com

Filed as reviewed consolidated company
 Filed as reviewed single company
 Filed as subsidiary of reviewed consolidated company
 Filed as audited consolidated company
 Filed as audited single company
 Filed as subsidiary of audited consolidated company

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


 Signature

6/28/19
 Date

PART A. BALANCE SHEET

| ASSETS | BALANCE PRIOR YEAR | BALANCE END OF PERIOD | LIABILITIES AND STOCKHOLDERS' EQUITY | BALANCE PRIOR YEAR | BALANCE END OF PERIOD |
|--|--------------------|-----------------------|---|--------------------|-----------------------|
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| 1. Cash and Equivalents | 19792 | 43392 | 25. Accounts Payable | 656 | 4168 |
| 2. Cash-RUS Construction Fund | | | 26. Notes Payable | | |
| 3. Affiliates: | | | 27. Advance Billings and Payments | | |
| a. Telecom Accounts Receivable | | | 28. Customer Deposits | 1556 | 1458 |
| b. Other Accounts Receivable | 163450 | 108574 | 29. Current Mat. L/T Debt | | |
| c. Notes Receivable | | | 30. Current Mat. L/T Debt-Rur. Dev. | | |
| 4. Non-Affiliates: | | | 31. Current Mat.-Capital Leases | | |
| a. Telecom Accounts Receivable | 887 | 3510 | 32. Income Taxes Accrued | | |
| b. Other Accounts Receivable | | | 33. Other Taxes Accrued | 3069 | 3136 |
| c. Notes Receivable | | | 34. Other Current Liabilities | | |
| 5. Interest and Dividends Receivable | | | 35. Total Current Liabilities (25 thru 34) | 5281 | 8762 |
| 6. Material-Regulated | | | LONG-TERM DEBT | | |
| 7. Material-Nonregulated | | | 36. Funded Debt-RUS Notes | | |
| 8. Prepayments | | | 37. Funded Debt-RTB Notes | | |
| 9. Other Current Assets | | | 38. Funded Debt-FTB Notes | | |
| 10. Total Current Assets (1 Thru 9) | 184129 | 155476 | 39. Funded Debt-Other | | |
| | | | 40. Funded Debt-Rural Develop. Loan | | |
| NONCURRENT ASSETS | | | 41. Premium (Discount) on L/T Debt | | |
| 11. Investment in Affiliated Companies | | | 42. Recquired Debt | | |
| a. Rural Development | | | 43. Obligations Under Capital Lease | | |
| b. Nonrural Development | | | 44. Adv. From Affiliated Companies | | |
| 12. Other Investments | | | 45. Other Long-Term Debt | | |
| a. Rural Development | | | 46. Total Long-Term Debt (36 thru 45) | 0 | 0 |
| b. Nonrural Development | | | OTHER LIAB. & DEF. CREDITS | | |
| 13. Nonregulated Investments | | | 47. Other Long-Term Liabilities | | |
| 14. Other Noncurrent Assets | | | 48. Other Deferred Credits | 1545 | 1618 |
| 15. Deferred Charges | | | 49. Other Jurisdictional Differences | | |
| 16. Jurisdictional Differences | | | 50. Total Other Liabilities and Deferred Credits (47 thru 49) | 1545 | 1618 |
| 17. Total Noncurrent Assets (11 thru 16) | 0 | 0 | EQUITY | | |
| | | | 51. Cap. Stock Outstanding & Subscribed | 4000 | 4000 |
| PLANT, PROPERTY, AND EQUIPMENT | | | 52. Additional Paid-in-Capital | | |
| 18. Telecom, Plant-in-Service | 428516 | 431387 | 53. Treasury Stock | | |
| 19. Property Held for Future Use | | | 54. Membership and Cap. Certificates | | |
| 20. Plant Under Construction | | | 55. Other Capital | | |
| 21. Plant Adl. Nonop. Plant & Goodwill | | | 56. Patronage Capital Credits | | |
| 22. Less Accumulated Depreciation | -337871 | -351066 | 57. Retained Earnings or Margins | 263948 | 221417 |
| 23. Net Plant (18 thru 21 less 22) | 90645 | 80321 | 58. Total Equity (51 thru 57) | 267948 | 225417 |
| 24. TOTAL ASSETS (10+17+23) | 274774 | 235797 | 59. TOTAL LIABILITIES AND EQUITY (35+46+50+58) | 274774 | 235797 |

<010> Study Area Code
 <015> Study Area Name
 <020> Program Year
 <030> Contact Name - Person USAC should contact regarding this data
 <035> Contact Telephone Number - Number of person identified in data line <030>
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 522412
 <015> Hat Island Telephone Company
 <020> 2020
 <030> Gary Ricketts
 <035> 360-321-0051
 <039> gary.ricketts@whidbeytel.com

| ITEM | PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS | |
|---|---|-----------|
| | PRIOR YEAR | THIS YEAR |
| 1. Local Network Services Revenues | 15876 | 14093 |
| 2. Network Access Services Revenues | 37449 | 68286 |
| 3. Long Distance Network Services Revenues | | |
| 4. Carrier Billing and Collection Revenues | 916 | 747 |
| 5. Miscellaneous Revenues | 1259 | 1278 |
| 6. Uncollectible Revenues | | 322 |
| 7. Net Operating Revenues (1 thru 5 less 6) | 55500 | 84082 |
| 8. Plant Specific Operations Expense | 16768 | 12804 |
| 9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization) | | |
| 10. Depreciation Expense | 13196 | 13196 |
| 11. Amortization Expense | | |
| 12. Customer Operations Expense | 7005 | 7119 |
| 13. Corporate Operations Expense | 79487 | 98273 |
| 14. Total Operating Expenses (8 thru 13) | 116456 | 131392 |
| 15. Operating Income or Margins (7 less 14) | -60956 | -47310 |
| 16. Other Operating Income and Expenses | | |
| 17. State and Local Taxes | | |
| 18. Federal Income Taxes | | |
| 19. Other Taxes | 3277 | 2558 |
| 20. Total Operating Taxes (17+18+19) | 3277 | 2558 |
| 21. Net Operating Income or Margins (15+16-20) | -64233 | -49868 |
| 22. Interest on Funded Debt | | |
| 23. Interest Expense - Capital Leases | | |
| 24. Other Interest Expense | | |
| 25. Allowance for Funds Used During Construction | | |
| 26. Total Fixed Charges (22+23+24-25) | 0 | 0 |
| 27. Nonoperating Net Income | | |
| 28. Extraordinary Items | 7 | 31 |
| 29. Jurisdictional Differences | | |
| 30. Nonregulated Net Income | 11834 | 7306 |
| 31. Total Net Income or Margins (21+27+28+29+30-26) | -52392 | -42531 |
| 32. Total Taxes Based on Income | | |
| 33. Retained Earnings or Margins Beginning-of-Year | 316340 | 263948 |
| 34. Miscellaneous Credits Year-to-Date | | |
| 35. Dividends Declared (Common) | | |
| 36. Dividends Declared (Preferred) | | |
| 37. Other Debits Year-to-Date | | |
| 38. Transfers to Patronage Capital | | |
| 39. Retained Earnings or Margins end-of-Period [(31+33-34)-(35+36-37+38)] | 263948 | 221417 |
| 40. Patronage Capital Beginning-of-Year | | |
| 41. Transfers to Patronage Capital | | |
| 42. Patronage Capital Credits Retired | | |
| 43. Patronage Capital End-of-Year (40+41-42) | 0 | 0 |
| 44. Annual Debt Service Payments | | |
| 45. Cash Ratio [(14+20-10-11)/7] | 1.92 | 1.44 |
| 46. Operating Accrual Ratio [(14+20-26)/7] | 2.16 | 1.59 |
| 47. TIER [(31+26)/26] | 0.00 | 0.00 |
| 48. DSCR [(31+26+10-11)/44] | 0.00 | 0.00 |

<010> Study Area Code
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 <020> Program Year
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 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 522417
 <015> Hat Island Telephone Company
 <020> 2020
 <030> Gary Ricketts
 <035> 360-321-0051
 <039> gary.ricketts@whidbeytel.com

PART C. STATEMENTS OF CASH FLOWS

| | | |
|--|--|--------|
| 1. | Beginning Cash (Cash and Equivalents plus RUS Construction Fund) | 19792 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 2. | Net Income | -42531 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities | | |
| 3. | Add: Depreciation | 13196 |
| 4. | Add: Amortization | |
| 5. | Other (Explain) | |
| Changes in Operating Assets and Liabilities | | |
| 6. | Decrease/(Increase) in Accounts Receivable | 52253 |
| 7. | Decrease/(Increase) in Materials and Inventory | |
| 8. | Decrease/(Increase) in Prepayments and Deferred Charges | 73 |
| 9. | Decrease/(Increase) in Other Current Assets | |
| 10. | Increase/(Decrease) in Accounts Payable | 3511 |
| 11. | Increase/(Decrease) in Advance Billings & Payments | -98 |
| 12. | Increase/(Decrease) in Other Current Liabilities | 67 |
| 13. | Net Cash Provided/(Used) by Operations | 26471 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| 14. | Decrease/(Increase) in Notes Receivable | |
| 15. | Increase/(Decrease) in Notes Payable | |
| 16. | Increase/(Decrease) in Customer Deposits | |
| 17. | Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) | |
| 18. | Increase/(Decrease) in Other Liabilities & Deferred Credits | |
| 19. | Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital | |
| 20. | Less: Payment of Dividends | |
| 21. | Less: Patronage Capital Credits Retired | |
| 22. | Other (Explain) | |
| 23. | Net Cash Provided/(Used) by Financing Activities | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| 24. | Net Capital Expenditures (Property, Plant & Equipment) | -2871 |
| 25. | Other Long-Term Investments | |
| 26. | Other Noncurrent Assets & Jurisdictional Differences | |
| 27. | Other (Explain) | |
| 28. | Net Cash Provided/(Used) by Investing Activities | -2871 |
| 29. | Net Increase/(Decrease) in Cash | 23600 |
| 30. | Ending Cash | 43392 |



1501 Regents Blvd., Suite 100
Fircrest, WA 98546-6060

Independent Accountant's Review Report

Board of Directors
Hat Island Telephone Company
Langley, Washington

We have reviewed the accompanying financial statements of Hat Island Telephone Company (an S Corporation) (the "Company"), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, stockholder's equity and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

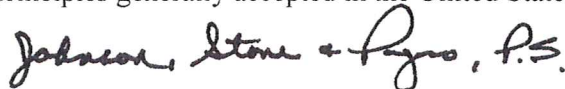
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



JOHNSON, STONE & PAGANO, P.S.

March 8, 2019

| | |
|---|--|
| FCC Form 481 - Carrier Annual Reporting Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|---|--|

| | |
|--|----------------------------|
| <010> Study Area Code | 522417 |
| <015> Study Area Name | HAT ISLAND TEL CO |
| <020> Program Year | 2020 |
| <030> Contact Name: Person USAC should contact with questions about this data | Lei McManus |
| <035> Contact Telephone Number: Number of the person identified in data line <030> | 3603210068 ext. |
| <039> Contact Email Address: Email of the person identified in data line <030> | lei.mcmanus@whidbeytel.com |
| Form Type | 54.313 and 54.422 |

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

| | | |
|-------|--|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line | 3403210064 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line | lei.mcmanus@whidbeytel.com |
| <400> | Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. | |
| <410> | Complaints per 1000 customers for fixed voice | |
| <420> | Complaints per 1000 customers for mobile voice | |

(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection FormFCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAWAII ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210063 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

<515> Certify compliance with applicable minimum service standards

**(600) Functionality in Emergency Situations
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 36021006# ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |
| <600> | Certify compliance regarding ability to function in emergency situations | Yes |
| <610> | Descriptive document for Functionality in Emergency Situations | 522417wa610.pdf |

| | |
|--|---|
| (900) Tribal Lands Reporting Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|--|---|

| | |
|---|----------------------------|
| <010> Study Area Code | 522417 |
| <015> Study Area Name | HAT ISLAND TEL CO |
| <020> Program Year | 2020 |
| <030> Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

| |
|--|
| Select Yes or No or Not Applicable |
| |
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| | |
|---|---|
| (1000) Voice and Broadband Service Rate Comparability Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|---|---|

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210063 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbystel.com |

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 522417wa1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 522417wa1030.pdf

Name of Attached Document

| | |
|--|---|
| (1100) No Terrestrial Backhaul Reporting Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|--|---|

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | LeI McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@wtidbeytel.com |

<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<1140> Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.

| | |
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| (1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|--|--|

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP <https://www.whidbeytel.com/products-services/voice-services/local-voice-service>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

| | |
|--|--|
| (2005) Price Cap Carrier Additional Documentation Data Collection Form <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i> | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|--|--|

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210968 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbaytel.com |

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR 54.313(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2018.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A) Name of Attached Document Listing Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext . |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

(3007) Does this filing retain a Cost Consultant and/or Firm, or other Third Party to prepare financial and operations data disclosures submitted to the National Exchange Carrier Association (NECA), USAC, or the Administrator? No

| (3007a) Name of Consultant | (3007b) Name of Consultant Firm/Third Party |
|-------------------------------|--|
| | |
| | |
| | |
| | |

CAF BLS Reporting

- (3008A) Please indicate whether new locations were deployed during the prior calendar year. (Yes/No)
- (3008B) Please enter the number of new locations deployed in the prior calendar year associated with each of the following speed tiers.
- (3008B1) Number of newly built locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps.
- (3008B2) Number of newly built locations with access to broadband speeds of 25/3 Mbps or higher.
- (3008C) Please provide the percentage of deployment across the entire study area.

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan
Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Certification of Public Interest Obligations (47 CFR § 54.313(f)(1)(i))

522417wa3010.pdf

(3010B) Please Provide Attachment

Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

No - No New Community Anchors

(3012B) Please Provide Attachment

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(Yes/No)

(3014) If yes, does your company file the RUS annual report

(Yes/No)

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited?

(Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or

(3020) (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3021) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

Hat Island Accountants Report.pdf, 3005-Rate-of-Return-Data-Upload-Template_Hat Island.pdf

| | |
|---|---|
| (3005) Rate Of Return Carrier Additional Documentation (Continued) | FCC Form 481 |
| Data Collection Form | OMB Control No. 3060-0986/OMB Control No. 3060-0819 |
| | July 2018 |

| | |
|---|----------------------------|
| <Q10> Study Area Code | 522417 |
| <Q15> Study Area Name | HAT ISLAND TEL CO |
| <Q20> Program Year | 2020 |
| <Q30> Contact Name - Person USAC should contact regarding this data | Le1 McManus |
| <Q35> Contact Telephone Number - Number of person identified in data line <Q30> | 3403210068 ext. |
| <Q39> Contact Email Address - Email Address of person identified in data line <Q30> | le1.mcmanus@whidbeytel.com |

Financial Data Summary

| | |
|---|--------|
| (3027) Revenue | 84082 |
| (3028) Operating Expenses | 131392 |
| (3029) Net Income | -42531 |
| (3030) Telephone Plant In Service(TPIS) | 431387 |
| (3031) Total Assets | 235797 |
| (3032) Total Debt | 0 |
| (3033) Total Equity | 225417 |
| (3034) Dividends | 0 |

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210058 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide a list of newly served community anchor institutions.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas.

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information

**Certification - Reporting Carrier
Data Collection Form**
**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2018**

| | | |
|-------|---|----------------------------|
| <010> | Study Area Code | 522417 |
| <015> | Study Area Name | HAT ISLAND TEL CO |
| <020> | Program Year | 2020 |
| <030> | Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> | Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext. |
| <039> | Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

| Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients | |
|---|---|
| I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. | |
| Name of Reporting Carrier: | HAT ISLAND TEL CO |
| Signature of Authorized Officer: | CERTIFIED ONLINE Date 06/28/2019 |
| Printed name of Authorized Officer: | Gary Ricketts |
| Title or position of Authorized Officer: | Secretary & Treasurer |
| Telephone number of Authorized Officer: | 3603210051 ext. |
| Study Area Code of Reporting Carrier: | 522417 Filing Due Date for this form: 07/01/2019 |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

| | |
|---|---|
| Certification - Agent / Carrier Data Collection Form | FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018 |
|---|---|

| | |
|---|----------------------------|
| <010> Study Area Code | 522417 |
| <015> Study Area Name | HAT ISLAND TEL CO |
| <020> Program Year | 2020 |
| <030> Contact Name - Person USAC should contact regarding this data | Lei McManus |
| <035> Contact Telephone Number - Number of person identified in data line <030> | 3603210068 ext. |
| <039> Contact Email Address - Email Address of person identified in data line <030> | lei.mcmanus@whidbeytel.com |

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

| | |
|--|--------------------------------|
| Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
| I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate. | |
| Name of Authorized Agent: | |
| Name of Reporting Carrier: | |
| Signature of Authorized Officer: | Date: |
| Printed name of Authorized Officer: | |
| Title or position of Authorized Officer: | |
| Telephone number of Authorized Officer: ext. _____ | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

TO BE COMPLETED BY THE AUTHORIZED AGENT:

| | |
|--|--------------------------------|
| Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier | |
| I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate. | |
| Name of Reporting Carrier: | |
| Name of Authorized Agent Firm: | |
| Signature of Authorized Agent or Employee of Agent: | Date: |
| Name of Authorized Agent Employee: | |
| Title or position of Authorized Agent or Employee of Agent: | |
| Telephone number of Authorized Agent or Employee of Agent: ext. _____ | |
| Study Area Code of Reporting Carrier: | Filing Due Date for this form: |
| Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001. | |

Attachments

